

## Meeting of the Board

**Venue:** Conference Room 3, South Tyneside College

**Date:** Wednesday 14 December 2016

**Time:** 4.00pm – 6.15pm

**Present:** Andrew Watts (Chair)  
David Byrne  
George Clark  
Terry Cornick  
Peter Davidson  
Mark Overton  
Alain Reynier  
Andy Walton  
Les Watson  
Susan Wear  
Nick Whalen-Griffiths  
Lindsey Whiterod

**Apologies for absence:** Malcolm Grady  
Des Young

**In Attendance:** Neil Longstaff (Clerk)  
Helen Beaton

ITEM NO.	ISSUES	ACTION
1.	<p><b>Apologies for absence</b></p> <p>The Board received and approved apologies for absence from those identified above after having first considered the reasons for their absence.</p>	
2.	<p><b>Declarations of interests</b></p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p> <p>The members of the Board were reminded of the standing declarations in respect of roles held in the Academy Trust for the following governors:</p> <p>L Whiterod (LW) - Director, Member and Chief Executive A Watts – Director and Member</p>	
3.	<p><b>Performance Review feedback (discussed in absence of staff* and students)</b></p> <p>Confidential item.</p> <p>*The Clerk withdrew from the meeting during consideration of his own performance and pay.</p>	

4.	<p><b>Minutes and Matters Arising</b></p> <p>The minutes and confidential minutes of the meeting held on 19 October 2016 were approved and signed by the Chair, subject to an amendment to Item 4 (Area Review) to replicate 'Confidential Item 4' to state "At this stage in the proceedings Andrew Watts joined the meeting and took the Chair".</p> <p><b>Matters arising not covered on agenda</b></p> <p>Confidential matters:</p> <ul style="list-style-type: none"> <li>• Payment to Trustee</li> <li>• Merger</li> <li>• Academy Trust Update</li> <li>• Performance Appraisal Cycle for Senior Post Holders and Clerk</li> </ul>	
5.	<p><b>Chief Executive's Report</b></p> <p>The paper provided the Board with an update on the following:</p> <ul style="list-style-type: none"> <li>• Strategic Issues</li> <li>• Area Review and TyneMet Merger Update</li> </ul> <p>LW informed the Board that South Tyneside College had been shortlisted for College of the Year and she had also been shortlisted for Leader of the Year. It was noted that South Tyneside Council had been nominated as Council of the Year.</p> <p><u>Area Review</u></p> <p>With regard to Area Review, the next Steering Group meeting was scheduled for mid-January 2017 and feedback would be given at the special Board meeting to be held on 1 February.</p> <p>It was noted that a meeting between the Durham colleges and the FE Commissioner was to take place prior to the Christmas break.</p> <p>The Chair reported that he had offered South Tyneside College as the lead in the development of an enhanced offer for students with learning difficulties and/or disabilities including collaborative work with local authorities and the LEP to enhance opportunities for progression to employment. This was likely to be a recommendation from the Area Review.</p> <p><b>Resolved: That the Board accept the report acknowledging the potential implications of the Area Review for the College.</b></p>	
6.	<p><b>Academy Trust Update</b></p> <p>Confidential item</p>	
7.	<p><b>Student Union Report</b></p> <p>The report from the Student Union (SU), covered the following matters:</p> <ul style="list-style-type: none"> <li>• Elections</li> <li>• Dr Winterbottom Charity Fund</li> </ul>	

	<ul style="list-style-type: none"> <li>Curriculum and Quality</li> <li>Events</li> </ul> <p>It was commented that the student union were playing a significant role in the Dr Winterbottom Charity Fund.</p> <p><b>Resolved: That the report is received and accepted.</b></p>	
8.	<p><b>Quality reports:</b></p> <p><u>i. Professional and Vocational College (PVC)</u>  <u>ii. South Shields Marine School (SSMS)</u></p> <p>These reports provided the Board with an overview of the measures used to assess the quality of provision provided within the PVC and SSMS.</p> <p>The reports had been presented, considered in detail and approved by the relevant Quality Committee and were now being presented to the Board for information.</p> <p>Q. Recruitment in PVC and impact? A strategic review was being conducted by SEG which would have input from governors in due course.  Q. Number of students 16-18? No impact in the current year but could be significant the following year.</p> <p><b>Resolved: That the reports are received and endorsed.</b></p>	
9.	<p><b>Quality Strategy (FE) 2016-19</b></p> <p>This report provided the Board with a new 3 year Quality Strategy (FE) as recommended by the PVC Quality Committee.</p> <p>It was commented that the strategy responded to the requirements of the Common Inspection Framework (CIF) 2015 and was based on continuous improvement and promoted a far enough and fast enough improvement process</p> <p>Q. Tourism poor performance with small student numbers? This had been highlighted was no longer being offered.</p> <p><b>Resolved: That the Board agree the Quality Strategy, as presented.</b></p>	
10.	<p><b>Marine School update including:</b></p> <ul style="list-style-type: none"> <li><b>HE College Self-Assessment Report</b></li> <li><b>SSMS FC Self-Assessment Report</b></li> </ul> <p>It was reported that these documents had been presented to the SSMS Quality and Curriculum Committee for consideration.</p> <p>The Board was made aware that a separate HE SAR approval meeting had been held before the meeting of the SSMS Quality Committee to undertake a detailed review of the SAR to enable it to be signed off by the CEO and sent to HEFCE by the given deadline. The findings and recommendations from the pre-meeting had also presented to the Quality Committee for endorsement. It was noted that the Clerk had been asked</p>	

	<p>to incorporate a separate HE SAR approval meeting into the governors' annual workplan/meeting schedule.</p> <p><b>Resolved: That the reports are approved.</b></p>	
<p><b>11.</b></p>	<p><b>FE College Self-Assessment Report and Quality Improvement Plan</b></p> <p>These documents had been to the relevant committee and was presented for further consideration.</p> <p>The report provided the Board with an update on the College Self-Assessment Report (SAR) and the Quality Improvement Plan (QIP) detailed progress against actions from the SAR.</p> <p>The Professional and Vocational College (PVC) had judged itself with the following grades:</p> <ul style="list-style-type: none"> <li>• Overall Effectiveness – Grade 2</li> <li>• Effectiveness of Leadership and management – Grade 2</li> <li>• Quality of Teaching, Learning and Assessment – Grade 2</li> <li>• Personal development, behaviour and welfare – Grade 1</li> <li>• Outcomes for Learners – Grade 2</li> </ul> <p>The areas for improvement included:</p> <ul style="list-style-type: none"> <li>• Improve success rates</li> <li>• Increase high grades for GCSE English and maths</li> <li>• Value Added</li> <li>• Increase timely achievements for Apprenticeships</li> <li>• Increase market share for 16-18 learners and apprenticeships</li> </ul> <p><b>Resolved: That the reports are received and agreed.</b></p>	
<p><b>12.</b></p>	<p><b>UKVI report</b></p> <p>This report provided information on the recent Tier 4 visa refusals and highlighted the increased risk level with the UKVI processes at South Tyneside College.</p> <p>It was explained that to enable the College to recruit and train students from outside of the EU, it needed Home Office approval which was held as under "Trusted Status". This status enabled the College to offer visas for <u>both</u> under six month study (termed Short-term study visa) and over six month study (termed Tier 4, under the Points Based System).</p> <p>It was estimated that there would be around 350-400 Tier 4 each year and around 800 short term visas. For 2016/17 the income expected from non-EU learners was £3,492k or around 34% of the total Marine School income.</p> <p>This status was renewed each year when the number of visa refusals were checked against a 10% limit. In October 2015 the College had a refusal rate of 3.24% and in July 2016 it was 8.76% (reasons explained).</p> <p>To prepare for the next UKVI annual audit the College had engaged Eversheds Education team to assist with the College's submission. The College continued to monitor the rate of refusals as usual and report internally.</p>	

	<p>It was noted that alternative ways of teaching students were being explored.</p> <p>A governor commented that the Home Office was aiming for a significant reduction in the number of international students possibly owing to a number of bogus colleges being set up.</p> <p>Q. Views from abroad? The governments approach was not a popular one.  Q. TyneMet? Sponsor status not held now.  Q. Possible to aggregate data together with TyneMet? LW to check.</p> <p><b>Resolved: That the report is received and governors note that further reports were to be presented to keep them aware of future developments.</b></p>	<b>LW</b>
<p><b>13. Governor Attendance 2015-16</b></p>	<p>The members of the Board were reminded that they had set a target of 75% attendance at Board and Committee meetings. The report explained that it was essential to monitor group and individual attendance to ensure that targets were being met and, if not, to address any difficulties which individual members might have and consider ways in which attendance, if necessary, might be improved.</p> <p>A schedule of attendance for 2015-16 was presented for the Board to consider.</p> <p>College attendance against a national survey average was provided for information.</p> <p>Governors' attention was drawn to those attendances falling below the target levels. The poor attendance of the Student Governors was discussed. It was also noted that the Chair would be discussing attendance with governors as part of their annual 1-1 meeting.</p> <p><b>Resolved: That the report is received and agreed.</b></p>	
<p><b>14. Governance Self-Assessment: Performance of the Board</b></p>	<p>The report provided an update on the performance reviews of the Board during 2015-16.</p> <p>Members of the Board who had been in post during 2015-16 were asked to complete an online survey to review the Board's performance.</p> <p>The Board's strengths and areas for improvement were highlighted in the report. These were to be addressed over the coming year. There was a view expressed that the links with the Local Enterprise Partnership should be strengthened.</p> <p><b>Resolved:</b></p> <p><b>i. That the report is received and agreed.</b></p> <p><b>ii. That the Board's performance is reported upon in the College's Self-Assessment Report (SAR) under Leadership and Management.</b></p>	
<p><b>15. Annual Report on Risk Management</b></p>	<p>The purpose of this report was to provide the Board with an update on risk management</p>	

	<p>activity in order to assist them in recommending the signing of the annual statement of governance and internal control as part of the College annual report to the Board.</p> <p>This report had already been considered by the Audit, Governance and Search Committee which recommended that the Board sign the statement of governance and internal control.</p> <p>The key points raised were as follows:</p> <ul style="list-style-type: none"> <li>• Corporate risk register was regularly reviewed by Senior Executive Group (SEG)</li> <li>• Operational risk registers for all areas of the College were reviewed at termly performance monitoring reviews</li> </ul> <p>HB responded to questions. A query was raised about the format of a section of the report re. reputation. HB was to clarify with PD.</p> <p><b>Resolved: That the Board agree the report having been assured of the risks identified and that they are being addressed.</b></p> <p>S Wear joined the meeting</p>	<b>HB/PD</b>
<p><b>16.</b></p>	<p><b>Annual Report to Board from Audit Committee</b></p> <p>The Chair of Audit, Governance and Search introduced this report highlighting key areas for governors' consideration.</p> <p>It was explained that the Board was required to receive a report on the work of the Audit, Governance and Search Committee (audit functions) on an annual basis.</p> <p>The Committee had received the report and concluded that the information provided allowed them to recommend the signing of the statement of governance and internal control by the Chief Executive and Chair as part of the College's annual report.</p> <p><b>Resolved: That the Board accepts this report.</b></p>	
<p><b>17.</b></p>	<p><b>Internal Audit Annual Report (Internal audit annual opinion) Year ending 31 July 2016</b></p> <p>The above-mentioned report covered the following areas:</p> <ul style="list-style-type: none"> <li>• The annual internal audit opinion</li> <li>• The basis of auditors audit opinion</li> <li>• Appendix A: Annual opinions</li> <li>• Appendix B: summary of internal audit work completed 2015/16</li> </ul> <p>The auditors concluded that the College had an adequate and effective framework for risk management, governance and internal control.</p> <p>It was confirmed that this report had been scrutinised by the Audit, Governance and Search Committee.</p> <p>HB responded to questions concerning the auditors' performance against the performance indicators as detailed in the report.</p>	

	<b>Resolved: That the report is approved.</b>	
18.	<p><b>Annual Report and Financial Statements for the Year Ended 31 July 2016 including Regularity Audit Opinion and Management Letter</b></p> <p>The Board received the accounts that had been circulated in advance of the meeting. It was reported that the accounts had been considered in detail by the governors Working Party, the Audit, Governance and Search Committee and the Finance and Resources Committee, all of which recommended that they be approved.</p> <p>HB highlighted specific areas where appropriate signatures were required and questions were invited.</p> <p>Areas requiring formal approval were:</p> <ul style="list-style-type: none"> <li>• Operating and financial review (page 11) by Chair of Board</li> <li>• Statement of Corporate Governance and Internal Control (page 19) by Chair of Board and Chief Executive</li> <li>• Statement on the College’s Regularity, Propriety and Compliance with funding Body terms and conditions of funding (page 20)</li> <li>• Statement of responsibilities of the Members of the Board (page 22) by Chair of Board</li> <li>• Financial Statements (page 29) by Chair of Board and Accounting Officer</li> </ul> <p>Reference was also made to the Regularity Audit Opinion and Management Letter. Members recommended that the Letter of Representation from auditors (Management Letter) be signed by the Chair of the Board.</p> <p><b>Resolved:</b></p> <ol style="list-style-type: none"> <li>i. <b>That the annual report and accounts for the Year Ended 31 July 2016 are approved and that the appropriate persons, as identified in the papers, are authorised to sign the relevant sections of the documents (as detailed above) on behalf of the Board.</b></li> <li>ii. <b>That the Chair is authorised to sign the Letter of Representation from auditors.</b></li> </ol>	<b>AW</b>
19.	<p><b>Management accounts and commentary</b></p> <p>HB introduced this report which had been considered and reviewed by the Finance and Resources Committee.</p> <p>Governors were advised that as at the end of October 2016, the College had made a £635k deficit, which was £88k below target and £44k below the 2015-16 position.</p> <p>Total income was £860k below budget due to low Adult Classroom, 16-18 Apprentices, Adult Apprentices and other tuition income. Some of these were expected to be timing differences due to courses commencing later in the year.</p> <p>Payroll costs were £336K below target and £138k below 2015-16 costs. This was primarily due to low lecturer and classroom support costs during the early months of the academic year.</p> <p>Non-pay expenditure was £436k below target and £314k below 2015-16 costs. This</p>	

	<p>was largely timing differences due to low partnership costs, however high marketing costs had been incurred for the summer promotional campaign.</p> <p>The College's financial health had moved to "Satisfactory", however this was anticipated to be a short term deterioration due to the low income at the start of the academic year.</p> <p>Governors commented that a similar picture was given to the Board at the same period in the previous financial year but the good judgement and management of staff had turned matters around. Therefore, based on the information presented and responses to questions raised, the Board was confident that the finances were under control.</p> <p>Q. Monthly management accounts sent of Chair of Finance and Resources? HB and GC confirmed this did happen.</p> <p><b>Resolved: That the report is approved.</b></p>	
<p><b>20.</b></p>	<p><b>Student Union Accounts 2015-16</b></p> <p>Members were informed that the accounts for 2015/16 had been to F&amp;R Committee and were recommended for approval.</p> <p>Governors queried as to why the full allocation had not been used. It was felt that if the monies set for 2016/17 was not spent then a further review of the amount given to the student union be reviewed for 2017/18.</p> <p><b>Resolved: That the report is approved.</b></p>	
<p><b>21.</b></p>	<p><b>Health and Safety Policy – review Dec 2016</b></p> <p>This paper provided the Board with an update on suggested amendments to the College's Health and Safety Policy as recommended by the Finance and Resources Committee.</p> <p>The documents included a table of amendments and the relevant extracts from the health and safety policy.</p> <p>Q. Prevent included? It was explained that the College had a separate Prevent Policy.</p> <p><b>Resolved: That the Board approves the amendments to the Health and Safety Policy.</b></p>	
<p><b>22.</b></p>	<p><b>College Company</b></p> <p>This report provided governors with a review of the College Company highlighting the following matters:</p> <ul style="list-style-type: none"> <li>• The company was set up as a VAT vehicle</li> <li>• The VAT benefit ended during 2012/13</li> <li>• The company has not traded during 2015/16</li> <li>• The Finance and Resources Committee recommended that the company should now be wound up as it was not currently needed.</li> </ul> <p><b>Resolved:</b></p> <p><b>i. That the report is received and accepted.</b></p>	

	<p><b>ii. That the Board agree to wind up the South Tyneside Training services Company and that the company Board be asked to make the necessary arrangements.</b></p>	<p><b>HB/NL</b></p>
<p><b>23.</b></p>	<p><b>Minutes of Committees since the last Board meeting</b></p> <p>The minutes of the meetings of the following committees were received by the Board:</p> <ul style="list-style-type: none"> <li>(i) Audit, Gov and Search – 15 November 2016</li> <li>(ii) PVC (QCC) – 23 November 2016</li> <li>(iii) F&amp;R – 24 November 2016</li> <li>(iv) SSMS (QC) – 7 December 2016</li> <li>(v) Dr Winterbottom Charitable Fund – 20 October 2016</li> </ul> <p><b>Resolved: That the minutes, as mentioned above, are received.</b></p>	
<p><b>24.</b></p>	<p><b>Any other business</b></p> <p>The Chair informed governors that a former Chair, Mr Brewster was seriously ill and asked that everyone's thoughts and prayers be with Mr Brewster and his family at this difficult time.</p>	
<p><b>25.</b></p>	<p><b>Date and time of future meetings:</b></p> <ul style="list-style-type: none"> <li>• Wednesday 1 February 2017 at 4.00pm</li> <li>• Wednesday 29 March 2017 at 4.00pm</li> <li>• Wednesday 10 May 2017 (time to be confirmed)</li> </ul>	
<p><b>26.</b></p>	<p><b>Merger with TyneMet College update</b></p> <p>Confidential item</p> <p>At this stage in the proceedings Ms S Mason (RSM), Mr A Phillips and Ms J Davison (Muckles) joined the meeting.</p> <p>Mr Reynier left the meeting.</p>	
<p><b>27.</b></p>	<p><b>Minutes of meeting of the Merger Committee held on 21 November 2016</b></p> <p>Confidential item</p>	
<p><b>28.</b></p>	<p><b>Due Diligence Report on Tyne Metropolitan College:</b></p> <ul style="list-style-type: none"> <li><b>a) Financial</b></li> <li><b>b) Legal</b></li> <li><b>c) Conditions survey</b></li> </ul> <p>Confidential items</p>	
<p><b>29.</b></p>	<p><b>Agreement to merge in principle (depending on outcome of due diligence).</b></p> <p>Governors considered the information received as part of the due diligence on TMC. The Chair asked the Board whether the Board wished to proceed with the proposed merger with TMC, whilst recognising that additional work was required around pensions.</p> <p><b>Resolved: That having given careful consideration to the due diligence reports on Tyne Metropolitan College, the Corporation Board of South Tyneside College</b></p>	

	<p><b>agree in principle to merge with Tyne Metropolitan College subject to the outcome of consultation and any Secretary of State approvals.</b></p>	
30.	<p><b>Confirmation of:</b></p> <ul style="list-style-type: none"> <li>• <b>Retention Strategy</b></li> <li>• <b>Communications</b></li> <li>• <b>Executive Team members Designate of proposed new merged College (restricted item)</b></li> </ul> <p><u>30.1 Retention Strategy</u></p> <p>LW drew attention to the proposed Retention Strategy which had been presented to and recommended by the Merger Committee. LW sought the Board's approval for such a strategy.</p> <p>The main objective was to retain business critical posts pre-merger.</p> <p><b>Resolved: That governors approve the Retention Strategy, as presented.</b></p> <p><u>30.2 Communications</u></p> <p>The Board was asked to delegate to the Chair, in consultation with the Chair of TMC, final decisions on communications to staff, unions and stakeholders in connection with the merger with TMC</p> <p><b>Resolved: That the Chair is authorised to approve any communications needed to staff, unions or stakeholders in connection with the merger with TMC, after consulting with the Chair of TMC.</b></p> <p><u>30.3 Executive Team Members Designate of proposed new merged College</u></p> <p><i>Restricted confidential item: staff and representatives from RSM and Muckles left the meeting.</i></p>	
31.	<p><b>Identification of confidential items</b></p> <p><b>Resolved: That the following matters are to remain confidential:</b></p> <ul style="list-style-type: none"> <li>• <b>Item 3 - Performance Review feedback (Restricted Item)</b></li> <li>• <b>Item 4 - Matters arising (Area Review/Merger/Academy Trust/Performance Appraisal)</b></li> <li>• <b>Item 6 - Academy Trust Update</b></li> <li>• <b>Items 26 – 28 and 30.3 concerning merger with TyneMet College (Executive Team appointments being a restricted item)</b></li> </ul>	

Chair: .....

Date: .....