

Meeting of the Board

Venue: Conference Room 3, South Tyneside College

Date: Wednesday 6 July 2016

Time: 4.00pm – 6.10pm

Present: Andrew Watts (in the Chair)
 David Byrne
 George Clark
 Terry Cornick
 Malcolm Grady
 Mark Overton
 Andrew Walton
 Les Watson
 Susan Wear
 Nick Whalen-Griffiths
 Lindsey Whiterod
 Des Young

In Attendance: Neil Longstaff (Clerk)
 Helen Beaton

ITEM NO.	ISSUES	ACTION
1.	<p>Apologies for absence</p> <p>The Board received and approved an apology for absence from Peter Davidson after having first considered the reasons for his absence.</p>	
2.	<p>Declarations of interests</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 Watson - Director and Member L Whiterod - Director, Member and Chief Executive A Watts – Director and Member</p>	
3.	<p>Governor Appointments</p> <p><u>3.1 Appointment of Staff Member</u></p> <p>The Clerk informed the Board that an election had been held for the position of Staff Governor and Mr Alain Reynier was recommended for appointment having received the highest number of votes in the ballot.</p> <p>The report sought approval from the Board to formally appoint Mr Reynier as Staff Governor.</p>	

	<p>Resolved: That Mr Alain Reynier is confirmed as Staff Member with immediate effect until 5 July 2020.</p> <p>Mr Reynier and Stanley Mere joined the meeting and introductions were made.</p> <p><u>3.2 Appointment of Student Governors</u></p> <p>The Chair took an opportunity to congratulate the new Student Governors on their election and welcomed Stanley Mere to the meeting. It was noted that Matthew Bell was unable to attend due to illness.</p>	
<p>4.</p>	<p>Minutes and Matters Arising</p> <p>The minutes and confidential minutes of the meeting held on 23 March 2016 were approved and signed by the Chair subject to amendment to Item 16: references to DW should read DB.</p> <p>The confidential minutes of the meeting held on 8 June 2016 were approved and signed by the Chair.</p> <p>Matters arising not covered on the agenda</p> <p><u>Minutes dated 23 March 2016</u></p> <p><u>4.1 Dr Winterbottom Charity</u> LWa updated governors on developments with the Dr Winterbottom Charitable Trust and was delighted to report that monies raised had reached beyond £6k (with College contributions).</p> <p><u>4.2 Loan</u> HB confirmed that the Barclays loan had now been paid in full, which meant that the College was debt free.</p> <p><u>4.3 Fellowships</u> LW reported that both Andrew Hodgson and Steph McGovern had accepted the Board's invitation to become Fellows of the College. AH received his fellowship at the summer graduation and SM was to collect her award at a college event in the autumn.</p> <p>Governors asked that the Chief Executive conveys their congratulations to staff for organising the outstanding awards ceremonies.</p> <p><u>4.4 Land</u> Confidential item</p> <p><u>4.5 Governance</u> The Clerk confirmed that all actions had been addressed.</p>	
<p>5.</p>	<p>Curriculum Plan 2016-17:</p> <p>(i) Professional and Vocational College (PVC)</p> <p>(ii) South Shields Marine School (SSMS)</p> <p>The Curriculum plans for SSMS and PVC were presented for approval. Both documents had been to the relevant Quality Committee and discussed at length.</p>	

	<p>MG informed the Board that a key element from discussions was the need to establish a 3 year curriculum plan with an annual action plan, which would be updated each year on a rolling programme. This had been built into the Workplan for 2016/17. It was also noted that the report was to be reformatted into a thematic approach.</p> <p>DB reported that each 'School' had a target expectation of meeting a 50% overall contribution on a stable or rising income stream but there was an acceptance that this was unrealistically high or achievable. LW responded indicating that 50% was a good marker to use but acknowledged that not all would achieve 50%.</p> <p>Resolved: That the Curriculum Plans 2016-17 are approved.</p>	
<p>6.</p>	<p>Quality Improvement Plan</p> <p>This report provided the Board with an update on areas for improvement identified through the College Self-Assessment Report (SAR) and from the OfSTED Inspection (December 2015). This was a working document updated regularly by the Principal for PVC with contributions from appropriate managers and course teams.</p> <p>Areas for Improvement were:</p> <ul style="list-style-type: none"> • Success rates • Value Added • Self-Assessment report and Action Plans • College Curriculum Portfolio • Improved monitoring of external partnerships <p>This document had received a great deal of scrutiny at Committee level and was presented for approval.</p> <p>Governors indicated that it was important to maintain the English and Mathematics Task Group to ensure high quality provision in these areas.</p> <p>Resolved: That the Board agrees the report.</p>	
<p>7.</p>	<p>Grievance Policy</p> <p>The purpose of this report was to seek the Board's approval of the revised Grievance Policy.</p> <p>The policy had been updated for changes in job titles, legislation and statutory guidance and these were detailed in the report.</p> <p>It was reported that the draft policy had been considered by the JCC and the Senior Executive Group (SEG).</p> <p>LW responded to questions from governors. It was felt that the policy should be referenced in the College Disciplinary Policy.</p> <p>Resolved: That the Board approve the policy, as presented.</p>	<p>CD</p> <p>CD</p>
<p>8.</p>	<p>Chief Executive's Report</p> <p>The paper provided the Board with a strategic update on the following issues:</p>	

	<ul style="list-style-type: none"> • Tyne Met merger discussions (Confidential) • North East LEP Area-based Review timetable • Outcomes of the Teesside Area-based Review • Insolvency Regime for Colleges • Impact of the EU referendum • Strategic challenges facing colleges • Career College • Marine School <p><u>Insolvency Regime for Colleges</u></p> <p>Governors were made aware that BIS had issued a formal consultation document to introduce an insolvency regime for colleges. The potential implications were outlined.</p> <p>It was noted that BIS was looking for this to be made law by the end of 2018/19.</p> <p>Responding to a question HB clarified the meaning of wrongful trading.</p> <p><u>Impact of the EU referendum</u></p> <p>Details of the potential impact on the College following the decision to leave the EU was outlined in the report.</p> <p>HB highlighted that the AoC had stated there were specific areas of concern for colleges, which related to the money pledged for training via the European Social Fund and the Skills Minister had commented that the apprenticeship levy might need to be postponed.</p> <p>Governors were reminded that there was a long list of Government publications waiting to be published, not least the reports from Wave 1 of Area Reviews, the Sainsbury Review, the Skills Plan, the college insolvency consultation, DfE's Education Bill and the technical document on the working of the apprenticeship system.</p> <p>During discussions it was commented that the AoC was good at representing colleges but it did not appear to carry much weight when it came to negotiations with Government.</p> <p>Resolved: That the report is received and content acknowledged.</p>	
9.	<p>Briefing on the impact of the EU referendum on the College</p> <p>This matter was addressed under Item 8.</p>	
10.	<p>Academy Trust Update</p> <p><u>Academies</u> Confidential item.</p> <p><u>SATs</u> It was reported that the Academy's performance was improving with the recent SATs achieving 52% for the combined scores against a National Average of 53%. The Head of Education, Learning and Skills at the LA was delighted with the progress being made. Governors were made aware of the changes to the SATs papers particularly the</p>	

	<p>increased level of difficulty.</p> <p><u>Nominations for Chair and Vice-Chair of the Academy Board</u></p> <p>The Board were made aware of the nominations for the positions of Chair and Vice-Chair of the Academy Board. It was explained that the Trust's Articles required the nominated person(s) to have the prior approval of the Sponsor before they could be considered by the Trust Board at their first meeting in the new academic year.</p> <p>Q. Response from Ofsted for inspection? None to date.</p> <p>A governor highlighted the need to be mindful of the fact that the Academy had only three current College governors sitting on the Board of Directors, soon to be two. The Clerk reminded governors that he had sought interest from amongst the Board to serve on the Academy Board and one governor had expressed an interest but could not take up any immediate position owing to other commitments. A governor did highlight the fact that the low level of interest could be the result of the advert being restrictive in that it asked for someone with Primary education experience. This was noted and was to be raised with the Academy Board.</p> <p>The Chair reminded the Board that the structure of the College was under consideration in light of the potential merger, which would include the MAT.</p> <p>Resolved:</p> <p>i. That the report is accepted.</p> <p>ii. That the congratulations of the College Board on the Academy's achievement in the recent SATs results are to be conveyed to the Head Teacher.</p> <p>iii. That the Board approve the following nominations:</p> <ul style="list-style-type: none"> • Mrs Christine Smith as Chair of the Academy Board • Mr Robert Whitelaw as Vice-Chair of the Academy Board 	<p>NL</p> <p>LW</p> <p>NL</p>
<p>11.</p>	<p>Stakeholder engagement and Client Management</p> <p>LW proposed no changes to the document at this stage. A further review was to be given in the autumn term.</p>	<p>LW</p>
<p>12.</p>	<p>Quality reports:</p> <ul style="list-style-type: none"> • South Shields Marine School (SSMS) • Professional and Vocational College (PVC) <p>The Chair explained that these documents had been subject to a considerable amount of scrutiny at the relevant committee and were now presented for information.</p> <p>The Chairs of the Committees reported that they gave an honest assessment of the current position.</p> <p>Resolved: That the reports are received and accepted.</p>	
<p>13.</p>	<p>Student Union Report</p> <p>LW introduced the report from the Student Union (SU), which covered the following matters:</p> <ul style="list-style-type: none"> • Student Union elections for 2016/17 • Events 	

	<ul style="list-style-type: none"> • Funding requests • Training and Development • NUS Card sales • Budget/spend • Promotion and Learner Voice • The year ahead <p>Q. Carry forward surplus? No, any underspend was clawed back.</p> <p>Governors were pleased to hear that the students had engaged in the Dr Winterbottom fund raising activities.</p> <p>Resolved: That the report is accepted.</p>	
<p>14.</p>	<p>Annual Equality and Diversity Report</p> <p>This report was to provide the members of the Board with a report on the College's commitment to equality and diversity and provide an update of progress.</p> <p>The following issues were highlighted:</p> <ul style="list-style-type: none"> • Student surveys showed high levels of positive responses to the inclusion of equality and diversity in their programmes and the promotion of equality in the College. • Data showed a significant improvement (+11.9%) at level 1, 16-18 for female learners pass rates from 2013/14. • For female adult learners' level 1, achievement rate was 15.3% lower (77.6%) than males (92.9%) • The overall achievement rate of BME learners of all ages was 81.2% and was comparable with the overall College rate of 83.4%. • The overall success rate for students with disabilities was 83.4%, the same as those with no disability or learning difficulty. <p>It was noted that this report had been presented and considered by the PVC Quality Committee. Governors were also reminded that the College had performed well on equality and diversity as part of the Ofsted inspection.</p> <p>Q. Female adult learners' achievement lower than males? There were issues concerning access to various courses and retention e.g. Hair and Beauty.</p> <p>Resolved: That the report is received and accepted.</p>	
<p>15.</p>	<p>Annual review of the Public Benefit Statement</p> <p>The Public Benefit Statement, previously known as the Public Value Statement, was recommended by the F&R Committee for approval. It was noted that the new Code of Good Governance for English Colleges also recommended the adoption of such a statement and in doing so the College would be complying with the new Code.</p> <p>There were no major changes to the previous document.</p> <p>Resolved: That the Public Benefit Statement, as presented, is approved.</p>	

16.	<p>Chair of the Board – performance review and recommendation from G&S Committee</p> <p>AW withdrew from meeting.</p> <p>Confidential item.</p>	
17.	<p>Appointment of Chair and Vice Chair</p> <p>DB withdrew from the meeting.</p> <p>The Clerk reported that the terms of office for both the Chair and Vice-Chair of the Board ended in July 2016 and governors were being asked to confirm their re-appointment for a further year.</p> <p>Governors were reminded that at the previous meeting of the Board it was resolved: “That in light of the exceptional circumstances facing the College, the Board agree to extend the term of office for AW as Chair and DB as Vice-Chair for one year (to be ratified at the meeting in July 2016).”</p> <p>Governors’ views were sought.</p> <p>Resolved:</p> <p>i. That Mr Andrew Watts is confirmed as Chair of the Board with effect from 1 August 2016 until 31 July 2017.</p> <p>ii. That Mr David Byrne is confirmed as Vice-Chair of the Board with effect from 18 July 2016 until 17 July 2017.</p> <p>AW and DB returned to the meeting and were informed of the decisions.</p>	
18.	<p>Review of Instrument and Articles of Government</p> <p>The purpose of the report was to present for approval, revised Instrument and Articles of Government, which allowed for greater flexibility in the way the Board operated and strengthened the Board’s governance arrangements.</p> <p>The Clerk identified some of the key changes; these included:</p> <ul style="list-style-type: none"> • External Members now referred to as Governors • Co-opted Governors become External Members • Streamlining composition of Board • Use of email or other electronic means to distribute agenda and papers • Introduction of written resolutions similar to those used by Academies. • Reference to the Nolan Committee Seven Principles of Public Life • Emphasis on the need to approve the College’s overarching strategic direction and strategy. • Greater flexibility in the appointment of Senior Post Holders and the Clerk <p>The draft I&A had been shared with the members of the Audit, Governance and Search Committee.</p> <p>Responding to a question the Clerk clarified the current restriction on SPH appointments.</p>	

	<p>Resolved: That the Board agrees the revised Instrument and Articles of Government for the College, as presented, to take effect from the date of making (6 July 2016).</p>	
19.	<p>Annual Review of Code of Conduct and Standing Orders</p> <p>Governors were asked to undertake a review the Standing Orders and Code of Conduct for 2016-17, taking into account recommendations from the Clerk and the Audit, Governance and Search Committee.</p> <p>It was explained that the key changes related directly to the new committee structure, which was approved by the Board in March 2016 and the changes to the Instrument and Articles (I&A) of Government.</p> <p>Resolved: The Board approves the revisions to the Code of Conduct and Standing Orders for 2016-17, as presented.</p>	
20.	<p>Review of Governance Structure</p> <p>The purpose of the report was to carry out a formal review of the governance structure and associated documentation.</p> <p>Revised documentation, as detailed below, took into account views received via governors or through committees of the Board:</p> <ul style="list-style-type: none"> • <u>Committee Composition and Membership</u> Current composition and membership was presented for information. Committees in need of strengthening in terms of number of governors were highlighted and discussed. • <u>Committees terms of reference</u> TOR had been reviewed by the Audit, Governance and Search Committee. This document had been revised to take account of the committees which had now merged. <p>As former governors could now be appointed to committees/working parties in a limited capacity, it was proposed that LWa be allowed to continue on the Dr Winterbottom Charitable Fund Committee for a further year to ensure this was embedded within the College.</p> <ul style="list-style-type: none"> • <u>Schedule of Meetings 2016-17</u> Reflected minor changes to the paper presented at the March 2016 meeting. • <u>Business Planner 2016-17</u> Identified changes proposed by the various committees. • <u>Link Governors</u> Volunteers were being sought for i) Outcomes for Learning and ii) Personal development, Behaviour and Welfare. • <u>Governor Vacancies</u> Confidential item 	

	<p>Resolved:</p> <ul style="list-style-type: none"> i. That the Board approves the revised documentation. ii. That Andy Walton is appointed to the Finance and Resources Committee. iii. That Peter Davidson is appointed as Deputy Governor for the Joint Steering Group. iv. That Susan Wear, Peter Davidson and Mark Overton are appointed to the PVC Quality, Curriculum and Community Committee. v. That Elaine Smith is to fill the position of Educational Specialist on the PVC Quality, Curriculum and Community Committee. vi. That the Chair and Clerk are to organise an additional Board meeting for the end of January 2017. vii. That Alain Reynier is asked to speak to the Clerk to determine which committees would benefit from his range of skills and experience. viii. That LWa is appointed to the Dr Winterbottom Charitable Fund Committee for one year to take effect from the end of his current governor term of office. 	<p>AW/NL</p> <p>AR</p>
<p>21.</p>	<p>Members Attendance - autumn 2015/spring 2016</p> <p>The Clerk presented a report updating the Board on the attendance of governors at meetings of the Board and its Committees and sought their views as to whether any action was necessary.</p> <p>It was reported that at the Audit, Governance and Search Committee on 25 May 2016 governors concluded that attendance needed to be monitored closely but recognised that Student Governor attendance rate was particularly low.</p> <p>Resolved: That the report is received and agreed.</p>	
<p>22.</p>	<p>Management accounts and commentary</p> <p>HB introduced this report which had been considered and reviewed by the Finance and Resources Committee.</p> <p>It was reported that as at the end of May 2016, the college had made a £59k operating surplus, which was £30k above target but £870k below the 2014-15 position.</p> <p>Total income was £2,396k below budget due to low 16-18 Apprentices, Adult Apprentices and other tuition income. Income projections had been amended within the year end forecast for both areas that were currently performing well and ones where the College expected shortfalls in income.</p> <p>Payroll costs were £919K below target and £424k below 2014-15 costs. This was primarily due to low lecturer and classroom support costs.</p> <p>Non-pay expenditure was £1,507k below target and £1,712k below 2014-15. This was largely timing differences due to low partnership costs.</p> <p>The College's financial health was "Good" and was anticipated to remain at this level at the end of the academic year, both using the existing methodology and the new system.</p> <p>The Chair of F&R Committee commented that the mid-year adjustments had had a positive impact on the College's budget.</p>	

	<p>HB sought approval from the Board to place £1m on deposit with Lloyds Bank (currently £1m already with Lloyds due back mid-September). It was explained that the interest rate at 1.25% was better than the rates offered by Barclays or Santander which had been used in the past.</p> <p>Resolved:</p> <p>i. That the report is approved.</p> <p>ii. That HB and her team are to be congratulated for their work.</p> <p>iii. That the Board supports HB’s request to deposit the sum of £1m into a Lloyds bank account and that HB is to consult with the Chair of F&R Committee if further approvals on this matter are required.</p>	HB
<p>23.</p>	<p>Budget 2016-17</p> <p>The paper, which was introduced by HB, informed governors of the College’s proposed financial budget for 2016/17 as recommended by the F&R Committee.</p> <p>It was noted that the budget setting took account of the new SORP (accounting standards for FE and HE providers) and the new financial health scoring, which had been discussed with the F&R Committee.</p> <p>HB explained that the aim was to set a budget that at least maintained the College’s financial health rating of good, which this budget did (in fact it would return the College to ‘outstanding’ in 2016/17).</p> <p>This budget did not yet contain any figure for costs associated with the potential merger with Tyne Met College or allowed for a cost of living pay rise.</p> <p>Q. Why no salary increase element? It was recommended to wait to see what the September enrolment figures were, what the AoC pay recommendation was and what the expected costs of merger might be before making such a decision. It was hoped that the Board would be in a position in the autumn to award a pay rise.</p> <p>Q. Position if merged? HB commented that overall the College would still be in a strong position.</p> <p>Q. Land survey undertaken? Not as yet.</p> <p>Q. Revised budget in autumn permitted? Yes, should the need arise.</p> <p>HB tabled a paper which provided two quotes for project management services, which had been presented to the recent meeting of the Joint Steering Group. Other merger costs outlined in the paper were for due diligence, legal fees and HR advice on TUPE etc.</p> <p>Resolved: That the Board approves the budget for 2016/17, as presented.</p>	
<p>24.</p>	<p>Two year financial forecast</p> <p>This paper showed the financial forecast using the forecast outturn for 2015/16, the detailed budget for 2016/17 and projections for the following year.</p> <p>The College’s objectives therefore continued to be to maintain the strength of the balance sheet and to operate in the difficult environment the College currently operated in and expected to operate in the coming years. The College also aimed to keep a financial health rating of at least ‘good’ during the life of the forecast.</p>	

	<p>This financial plan was prepared on a conservative basis with regard to income growth and did not assume any significant capital projects that were not already approved.</p> <p>It was noted that it was a requirement of the SFA that the College submitted a financial forecast to them by 31 July each year.</p> <p>Governors' attention was drawn to the financial checklist which demonstrated the college's assessment of how it had complied with recent guidance. The Board was in agreement with the assessment made.</p> <p>It was felt that this report gave a realistic picture of the College's financial position. Members were informed that the F&R Committee had recommended this forecast for approval at its last meeting.</p> <p>Resolved: That the Board approves the forecast and that it be submitted to the SFA by 31 July 2016.</p>	
25.	<p>Approval of Student Union Budget 2016-17</p> <p>The Board was asked to approve the Students' Union budget for 2016/17 as recommended by the F&R Committee.</p> <p>Resolved: That the Board agree a budget of £20,000 for the 2016/17 academic year.</p>	
26.	<p>Annual Health and Safety update</p> <p>The purpose of the report was to update the members of the Board on accident/incident data and significant Health and Safety developments during 2014/15 and 2015/16 (Interim to May 2016).</p> <p>A summary of information on health and safety and the College's approach during the period was provided and covered the following areas:</p> <ul style="list-style-type: none"> • Changes to the health and safety policy that were approved by the F&R Committee • College accident statistics, which showed a decline • RIDDOR reportable accidents (3 during the period) • Inspections and audits that had been undertaken by third parties – no serious breaches were found • Fire drills and fire alarm activations on the college site – no actual fires • Staff training in this area. <p>Q. Reduction in accidents correlate with reduced staffing and student complement? In part, but also demonstrates improvements made within College on health and safety matters.</p> <p>Resolved: That the report is received and information acknowledged.</p>	
27.	<p>Appointment or dismissal of Internal Audit Service and Remuneration 2016-17</p> <p>HB reported that she had been pleased with the performance of RSM and that A,G&S Committee recommended them for reappointment for the second year of a three year contract.</p>	

	<p>Resolved: That the Board agrees to re-appoint RSM as Internal Auditors for the College for the second year of a three year contract.</p>	
28.	<p>Minutes of Committees since the last Board meeting</p> <p>The minutes of the meetings of the following committees/Task Groups were received by the Board:</p> <ul style="list-style-type: none"> • GSWG – 9 May 2016 • A,G&S – 25 May 2016 • SSMS (QC) – 15 June 2016 • F&R – 22 June 2016 • P&V (QCC) – 27 June 2016 • CCNE – 8 June 2016 <p>Resolved: That the minutes, as mentioned above, are received.</p>	
29.	<p>Any Other Business</p> <p><u>29.1 Joint Steering Group</u></p> <p>The Clerk sought approval from the Board to make a minor amendment to the quorum for the Joint Steering Group.</p> <p>Resolved: That the change to the quorum for the Joint Steering Group is agreed.</p> <p><u>29.2 Apprenticeships</u></p> <p>Confidential item.</p>	
30.	<p>Identification of Confidential Items</p> <p>Resolved: That the following matters are to remain confidential:</p> <ul style="list-style-type: none"> • Item 4.4 – Land • Item 8 – Chief Executive’s Report (Tyne Met merger discussions) • Item 10 - Academy Trust Update (Academies) • Item 16 - Chair of the Board – performance review and recommendation from G&S Committee • Item 20 - Review of Governance Structure (vacancies) • Item 29.2 - Any Other Business (Apprenticeships) 	
31.	<p>Date and Time of Next Meeting</p> <p>Members were reminded that the next meeting of the Board was scheduled for Wednesday 19 October 2016 at 4.00pm.</p>	

Note:

A,G&S – Audit, Governance and Search

F&R – Finance and Resources

P&V (QCC) - Professional and Vocational (Quality, Curriculum and Community) Committee

SSMS (QC) – South Shields Marine School (Quality and Curriculum) Committee

CCNE – Career College North East

GSWG – Growth Strategy Working Group

Chair:

Date: