



FE Corporation Minutes

Meeting held on Thursday 6th July 2017 at 5.30pm in Room 301, SRC One

Governors: Mr J Anderson, Mr S Chaudhary, Mr P Cook (Principal and Chief Executive), Mr D Craig, Mr N Dart, Ms R Hodgson, Mr D Johnson, Mr R McCallion, Mr R Poundford, Ms M Stephenson, Mr M White (Chair) and Mrs N Wilburn

Officials: Mr J Faulkner (Assistant Principal: Curriculum), Mr M Flannery (Director of Students), Mr P Hastie (Vice-Principal: Corporate Planning and Performance), Mr M Hickey (Deputy Principal), Mr P Hiser (HR Director), Mrs F Sharp (Finance Director), Sarah Thompson (Clerk to the Corporation) and Ms C Turner (Executive Team and Secretariat Manager, for informal discussion only)

Apologies: Ms L Brown, Mr C King, Ms L Boynton, Ms M Elliott and Ms M Mason

(Meeting commenced at 5.30 pm)

Prior to commencement of the formal meeting, a governor workshop took place to consider proposals for merger with Redcar and Cleveland College.

The Chair reminded members that, following his discussions with the Chair of Darlington College, a public statement had been issued to notify the cessation of merger discussions between Darlington College and Stockton Riverside College. A response had recently been received from Darlington College expressing their disappointment that merger discussions had ceased and clarifying their view that issues were resolvable. The College had also received a communication from Paul Williamson, Director of Northern England, Education and Skills Funding Agency, who had indicated that he could wish to speak to the College regarding the decision.

The Finance Director advised that, if grant funding was received to support merger between Stockton Riverside College and Redcar and Cleveland College, it would be possible to achieve key performance indicators (KPIs) in respect of finances [redacted].

The following four sentences have been redacted.

Members stressed the importance of ensuring no negative impact on students attending Stockton Riverside College.

Members recognised the potential for questions regarding the failed merger with Darlington College and the Principal confirmed that he had communicated with the Education and Skills Funding Agency and Combined Authority.

Members stressed the importance of understanding the reason for the declining income of Redcar and Cleveland College and of understanding the culture within Redcar and Cleveland College. The Principal clarified that he did not yet have an understanding of the culture [redacted]. It was

recognised that staff had anticipated a merger for a number of years and it was also highlighted that Stockton Riverside College was seeking a Type B merger in which the leadership team at Redcar and Cleveland College would be changed.

In response to further queries, the following clarifications were made:

- The proposed transformation fund of £305 k covered work related to workstreams and additional funding would be required over and above this to cover the Service Level Agreement for exceptional support in the short-term;
- It was not known whether there would be pressure to dispose of land held but the bank currently had legal charge over the land;
- Legislation in respect of the college insolvency regime had received royal assent and was expected to come into force in 2018;
- It was likely that any funding from the Transactions Unit would be provided with a range of conditions which were not yet known;
- Ofsted would not undertake an inspection of any merged college for two years after merger.
The following sentence has been redacted.
- The proposed timescale of six years to return to the present financial position was proposed as a first draft budget plan.

The following three sentences have been redacted.

The College would also be seeking to recruit students not in education, employment or training (NEETs) and numbers were higher in Redcar and East Cleveland than nationally. It was also recognised that there was a lot of political goodwill towards a merger. The Finance Director confirmed that the headline financial assumptions were based on the Director of Student's recruitment estimates.

The following sentence has been redacted.

The Principal stressed that the proposed Service Level Agreement was intended to make funding available and senior managers would be responsible for deciding how to deliver aims and objectives, for example, via backfill arrangements where appropriate.

The formal meeting then commenced.

Declarations of Interest

There were no declarations of interest.

17/54 Agenda Item 1 – Progress Update against 2016-17 Improvement Plan

The June 2017 progress update against the 2016-17 College Improvement Plan had been circulated. The Deputy Principal highlighted, in particular, good evidence of high levels of attendance at English and maths lessons and good progress with the Staff Development Plan, particularly in relation to management coaching sessions.

Members received and noted the report.

17/55 Agenda Item 2 – In-year Retention, Attendance and Punctuality

A report had been circulated outlining retention, attendance and punctuality levels for the 2016-17 year to date. Overall retention was good.

The following sentence has been redacted.

In 2017-18, NETA would be incorporated into College systems and an improvement plan was in place for Childcare. In respect of A levels, this was the first year of linear A levels and the drop in retention could reflect the change in provision, specifically that some learners would have previously achieved an AS level and then not progressed. Examination boards had also failed to provide appropriate information. At present, there was a hybrid offer of AS/A2 and linear A levels and therefore no national data existed but other colleges were known to be experiencing the same difficulties. In response to members' challenges, the Deputy Principal confirmed that he was confident that the Quality team had in place appropriate action plans and were focussing on issues. At Bede, attendance was in line with 2015-16, quality of teaching and learning was at least as good as in 2015-16 and there had been no decline in student feedback. The reason for the drop in retention was therefore unclear. In respect of NETA, [redacted] and a new manager had been appointed to oversee government funded provision. Job roles within NETA were also being re-organised to ensure clear expectations. Governors challenged whether there was sufficient understanding of why learners opted to attend a vocational training centre as opposed to a college and why employers opted to choose NETA for apprenticeships, stressing the importance of retaining the unique factors in a vocational training centre. The Vice Principal clarified that the issues identified related to poor service in respect of study programmes and measures had been put in place to address recruitment and resolve fundamental issues. The majority of apprenticeship delivery at NETA was outstanding. Study programmes accounted for a small proportion of NETA delivery (13.5%).

The information was received and noted.

17/56 Agenda Item 3 – Teaching and Learning Observation outcomes

A report had been circulated outlining outcomes of teaching and learning observations undertaken to date. The Deputy Principal highlighted the positive outcomes, which evidenced high quality teaching and learning, as confirmed by learner feedback.

The information was received and noted.

17/57 Agenda Item 4 – Learner Voice Outcomes

A report had been circulated outlining learner voice activity and outcomes from February to June 2017. The Deputy Principal highlighted an increased participation rate in the Learner Survey 2 and the significant improvement in the number of students understanding the purpose of MyWorkSearch. This reflected the significant work undertaken in relation to this during 2016-17, which would be continued in 2017-18. A student governor highlighted that, in his experience, there continued to be issues with MyWorkSearch, for example, it did not bring up search results in the local area, and he had not found the system useful. Fellow students had stated that they were not clear about why they were required to use the programme.

A second report had been circulated outlining formal complaints received in the 2016-17 academic year and it was noted that 12 formal complaints had been received. It was noted that a reference to a learner's health history should be deleted.

The information was received and noted and the Assistant Principal agreed to give further consideration to student governor feedback in respect of MyWorkSearch.

Russ McCallion left the meeting during the above item.

17/58 Agenda Item 5 – 2016 – 17 Performance Improvement Action Plan

The latest updates to the 2016-17 Performance Improvement Action Plan had been circulated. It was noted that overall progress was very positive. All identified courses in the Services Industries department were RAG (red, amber, green) rated amber. Within Creative and Digital Industries, two courses were rated green and two amber. In Construction, Engineering and Business, three of the four courses were rated red. In SRC Bede, five of the thirteen identified courses were rated green and the remaining eight amber. Achievement rates for legacy A levels were expected to fall by around 1.8% and a further drop was expected for new linear A levels. Clear action plans were in place for all courses.

The information was received and noted.

17/59 Agenda Item 6 – Higher Education Update

A report had been circulated detailing the very positive outcomes following a Quality Assurance Agency (QAA) review of the College's Higher Education provision in April / May 2017. The Agency had awarded the College the highest possible rating, validating the College's judgements of confidence in reliable academic standards and quality of student academic experience. It was noted that the Corporation Chair had met with reviewers as part of the process and he commended the thorough support provided by the Head of HE Health and Care, Head of Quality and Deputy Principal in preparation for the searching queries of QAA reviewers. Three suggestions for further improvement had been made by the team in respect of clarity of terms and condition in enrolment literature, guidance on programme closure and production of quality assurance documents, specifically self evaluation documentation.

A further report had been circulated confirming the College's successful achievement of 'Silver' against the Teaching Excellence Framework submission.

The Principal reported that he had been invited to serve on the Teesside University Academic Board and it was noted that this was the degree-awarding body for the University.

The Chair also reported that the College would become responsible for its own graduation ceremonies. The Director of Students and Head of HE, Health and Care were leading on this for the College in liaison with the Local Authority, which was pleased with the College's engagement.

The information was received and noted and governors congratulated the College on the positive outcomes in respect of higher education and the Principal on the honour of his appointment to the Teesside University Academic Board.

17/60 Agenda Item 7 – Recruitment Update/Enrolment Plans

A report had been circulated detailing 2016-17 learner recruitment to date and anticipated recruitment levels for 2017-18. Overall, there had been around 2000 applications, which was in line with target, with increased applications from non-feeder schools outside the local area, for example, Redcar, Darlington and Middlesbrough. The summer campaign was

now rolling out and GCSE outcomes were awaited. Taster day activities had taken place with over 830 Year 10 students in total, an increase of 200 compared to 2015-16. There had been excellent feedback from teachers and also some positive parental feedback on the day.

Members commented on the improved use of social media for College marketing and the Director of Students highlighted significant improvements in social media content, particularly video content. Further improvements to Open Evenings were also planned, although feedback had been very positive, and marketing activity would also be reviewed. A member challenged outcomes arising from the additional Open event held at Bede and the Director of Students clarified that there had been around 30 people in attendance and the event had generated two to three applications. There had been positive feedback [redacted]. Members also challenged action to resolve issues experienced with enrolment in summer 2016 and the Director of Students confirmed that feedback had been reviewed in detail, identified issues had been addressed and he was confident that enrolment would be significantly improved. The work, in particular, of the Information Team Leader, James Ruddock, was commended and it was agreed that the Chair and Vice Chair should meet the Information Team Leader during a future visit to the College.

The report was received and noted.

17/61 Agenda Item 8 – Enrichment Update

A report had been circulated detailing activity within the enrichment and tutorial programme for 2016-17. There had been a good programme of interesting activity, which had widened students' experience at College. Members were asked to note, in particular, activities related to both the general election and mayoral election, and the 'right size' project, which had received very positive feedback. It was noted that local MPs and the Combined Authority Mayor had been invited to visit the College. Next steps were to increase the number of students involved and ensure suitable monitoring systems were in place to ensure inclusion of all College students. A student governor reported that he had not been aware of activities and had not received e-mails and suggested that there could be more publicising of enrichment activities within lessons. A governor also commended the recent enterprise celebration event, which had involved teams from the Prince's Trust as well as North Shore Academy and Thornaby Academy, among others. He commended the work of College staff towards the event and thanked partners for the time committed and prizes awarded.

The report was received and noted and it was **agreed** that a report on the Enterprise Board should be submitted to a future meeting.

17/62 Agenda Item 9 – Learner Health & Wellbeing

A report had been circulated providing information on the position in respect of student mental health and wellbeing within the College. The Director of Students highlighted the challenging picture of an increasing but unpredictable incidence of mental health issues and demands on student support services, particularly at the SRC Bede site. A member highlighted the lack of information regarding NETA within the report and the Director of Students clarified that there had been no staff member actively undertaking a welfare role at NETA. As a result, the College was uncertain whether there were fewer issues at NETA or whether support was not promoted adequately. The College would be investing in

resources at NETA for the 2017-18 academic year. Members highlighted the importance of ensuring support for young men, who were more likely to suffer and less likely to seek support.

The report was received and noted.

17/63 Agenda Item 10 – Safeguarding Update

A report had been circulated outlining matters related to College safeguarding arrangements. The Deputy Principal highlighted that there was now a very high level of compliance with the system and very few concerns in respect of staff training. Members were asked to note that the role of Designated Lead for Safeguarding had been transferred from the Head of Quality to the Director of Students on 15 June 2017, in order to realign duties in respect of quality, and the Deputy Principal commended the work of the Head of Quality in establishing a highly mature safeguarding system in her time as designated lead. In response to a member's challenge, the Director of Students confirmed that the College had no specific concerns in respect of radicalisation and good systems were in place to address any issues.

The Link Governor for Safeguarding reiterated governors' thanks to the Head of Quality for her sterling work in respect of safeguarding. She noted that there continued to be a need to improve compliance with safeguarding training expectations within NETA but was pleased that student understanding in respect of the Prevent agenda was above the sector average.

The report was received and noted and it was **agreed** that a letter of thanks should be sent to the Head of Quality for her work on safeguarding during her tenure as safeguarding lead.

17/64 Agenda Item 11 – Merger Update

The proposed merger with Redcar and Cleveland College had been discussed during the Governor Workshop prior to this meeting.

Members **agreed**:

- i) in principle, to approve any merger with Redcar and Cleveland College, subject to the satisfactory outcome of usual pre-merger activity;
- ii) that the College should submit a merger proposal by the deadline of 12 July 2017, with approval of the final proposal delegated to the merger Steering Group (Corporation Chair, Vice Chair, Principal, Russ McCallion and Norma Wilburn);
- iii) that, if the merger proposal was accepted, the merger proposal should be presented to representatives of the Redcar and Cleveland College Board, Combined Authority and FE Advisors by the Chair, Principal and three further colleagues;
- iv) that a special meeting of the FE Corporation should be arranged to take place after the proposed date of presentation of merger proposal (27 July 2017). The Clerk agreed to co-ordinate a quorate meeting.

17/65 Agenda Item 12 – Corporation Minutes and Actions

Minutes of the Corporation meetings held on 11 May and 25 May 2017 had been circulated, together with updates regarding agreed actions. It was requested that only one staff member name be included against each action.

Governors **agreed** to approve the minutes as an accurate record and received the action updates for information.

17/66 Agenda Item 13 – Subsidiary Company Boards / Committees and Task & Finish Groups

Minutes of meetings of the following subsidiary boards, committees and task and finish groups had been circulated:

- NETA Board meeting held 26 May 2017
- Tees Valley Catering Board meeting held 19 May 2017
- Standards Improvement Committee meeting held 17 May 2017
- Finance and Employment Committee meeting held 18 May 2017
- Search and Governance Committee meeting held 23 May 2017
- Strategic Partnerships Task and Finish Group meeting held 10 May 2017

The Finance and Employment Committee Chair reported that an additional meeting of the Finance and Employment Committee had taken place on 22 June 2017. At this meeting, members had considered the most recent Monthly Management Accounts, which indicated a surplus of £385 k for the current year. This reflected that some expenditure had been brought forward, for example, fixed wire testing, as well as the agreed increased expenditure on areas such as English and maths. College budgets had been well controlled and the College would comply with bank covenants. The committee had also considered the proposed 2017-18 budget for the College group, which indicated a planned surplus of £409 k. This was tighter than in previous years but included assumption of a 1% pay award. Staff to income ratio stood at 65% and this would be an area for further review by the committee in future years. The committee had recommended the proposed budget, which would be discussed further under Agenda Item 14. Other items discussed had included a number of departmental organisational changes.

Notes of an Audit Committee meeting held on 6 June 2017 had also been circulated and formal minutes would be provided to a future meeting. The Audit Committee Chair reported that Audit Committee members had requested sight of the outstanding final internal audit report in respect of the English and maths review as soon as possible. The committee had also discussed its function in respect of supporting other committees and other committees were encouraged to refer any relevant issues to the Audit Committee.

In line with committee recommendations, governors **agreed**:

- i) to approve the proposed subcontracting arrangements for 2017-18. Members were asked to note that the level of subcontracting was lower than previously and all provision was with subcontractors previously used by the College;
- ii) to amend the College Financial Regulations to clarify arrangements in respect of fundraising activities;
- iii) to extend the capital repayment holiday for the £1.7 m loan facility;
- iv) to reappoint Richard Poundford for a term of office of four years;

- v) to reappoint Mark White for a term of office of four years. Members noted that Mark White had served in excess of the eight years agreed as maximum length of service except in exceptional circumstances. In light of Mark White's outstanding chairmanship, governors were of a view that his reappointment was essential at this time to ensure stability and continuity in leadership;
(Richard Poundford and Mark White left the meeting during these decisions.)
- vi) to note Lynda Brown's resignation as a governor and to appoint her as a co-opted member of the Standards Improvement Committee for a term of office of one year in the first instance;
- vii) to note the recommendation of the Search and Governance Committee that an accountant and an educational professional should be sought to fill the current vacancy and the vacancy to arise on 1 August (as a result of the resignation of Lynda Brown) and **agreed** to re-consider governor recruitment early in the 2017-18 academic year when the position in respect of merger with Redcar and Cleveland College was clearer;
- viii) that the Corporation should to continue to implement Board Packs;
- ix) to approve the internal audit strategy for 2017-18;
- x) to reappoint ICCA-ets as internal audit service for 2017-18 subject to resolution of the issues regarding the English and maths review.

A number of committee recommendations were also covered elsewhere on the agenda.

17/67 Agenda Item 14 – Approval of financial forecasts and 2017-18 Budget

A report had been circulated presenting the proposed 2017-18 revenue and capital budgets and the three year financial plan to 2018-19. The Finance Director highlighted that no changes had been made to the budget presented to the Finance and Employment Committee meeting in June 2018. In respect of key performance indicators, the Finance Director asked members to note that operating surplus was below 2% of income and therefore below the proposed benchmark set by the FE Commissioner of between 3% and 5% of income. Calculations indicated that the College's financial health would be graded as 'good' by the Education and Skills Funding Agency (ESFA) and the College would comply with bank covenants. A sensitivity analysis would be added to the financial commentary in line with ESFA requirements. Members also noted the checklist for governors, provided by the ESFA to assist governors in ensuring all relevant issues had been considered during the budget-planning process.

The Chair of the Finance and Employment Committee commended the thoroughness of the budget preparation and presentation and the effectiveness and competence of the College's financial team. He highlighted that the Finance and Employment Committee had discussed the budget in detail and were confident that this was accurate and achievable. Governors **agreed** to approve the proposed 2017-18 revenue and capital budgets and the three year financial forecast.

17/68 Agenda Item 15 – Alternative Curriculum Provision

A report had been circulated outlining activity in respect of development of alternative curriculum provision. The Assistant Principal highlighted that there were ongoing discussions with schools about ways in which the College could support schools in delivery of a broader curriculum, in line with Ofsted expectations. Work was continuing to establish costs, procedures and protocols around acceptance to ensure that the right learners were

participating. The College was also exploring requirements in respect of direct enrolment of 14-16 year olds, particularly in relation to the needs of migrant groups and other vulnerable pupils, including electively home educated pupils. The College would not need to follow mainstream curriculum but, where the number of direct enrolments exceeded five, the College would need to apply to the Department for Education for funding. Members challenged next steps and the Assistant Principal clarified that alternative curriculum provision would be on the basis of a Service Level Agreement with schools and it was important for the College to ensure schools were aware of the full offer. The Principal would discuss with the Local Authority's consultant, Dot Smith, to ensure the project was rejuvenated early in the next academic year.

Governors **agreed** in principle the continuing development of a skills offer for 14 to 16 year olds and that the College should further investigate direct enrolment of 14-16 year olds to the College. Further detail would be reported to the Strategic Partnerships Task and Finish Group.

Dan Johnson left the meeting at 7.15 pm.

17/69 Agenda Item 16 – Risk Management Strategy 2017-18

The proposed risk management strategy for 2017-18 had been circulated and the Finance Director highlighted minor amendments to reflect changes in College operation. Strategic risk registers indicating recent changes had also been provided for information.

Governors **agreed** to approve the risk management strategy for 2017-18.

17/70 Agenda Item 17 – Subsidiary Companies

17.1 NETA Update

A report had been circulated providing an overview of key issues related to NETA Training Trust and the Vice Principal highlighted that commercial activity was not yet at the desired level but was an area of focus. There had been appointments to key leadership and management positions, with Phil Blewitt appointed as Managing Director and David Laycock as Government Funded Manager. A number of governors had toured the Lustrum Park NETA site prior to this meeting and NETA was currently importing a wind turbine in line with the successful Local Growth Fund bid. The Vice Principal thanked Russ McCallion, governor, for his support to NETA management with the procurement process. Members recognised the importance of learning from experiences of merger with NETA in any new merger process.

17.2 Tees Valley Catering Update

A report had been circulated outlining key issues related to Tees Valley Catering. Governors were asked to note, in particular, that TVC was currently serving notice of its withdrawal of catering provision from Thirteen as this was not financially viable and that one TVC staff member had requested voluntary severance.

17.3 Subsidiary Company Reporting Structure

A report had been circulated outlining the reporting processes for subsidiary companies.

The subsidiary company reports were received and noted.

17/71 Agenda Item 18 – Governor Development and Use of College Seal

A report had been circulated providing an outline of recent government development activity and encouraging governors to advise the Clerk of any specific development needs. Members were also notified that the College Seal had been used to validate the Local Growth Fund funding agreement with the Combined Authority.

The report was received and noted.

Mark White left the meeting.

17/72 Agenda Item 19 – Chair and Vice Chair review

A report had been circulated outlining outcomes of the recent appraisal of the Corporation Chair. Governor feedback had been discussed in detail by the Search and Governance Committee and the committee had commended the diligence and commitment of the Chair, particularly during the area review process. Members had noted a governor comment relating to some lack of clarity in respect of the 'ownership' of proposals and it was highlighted that there were a lot of informal interactions between the Chair and Principal at which proposals and principles were debated, discussed and agreed before presentation to governors. Members recognised that the comments made reflected the strengths demonstrated by Mark White during his chairmanship throughout a difficult and challenging period.

Richard Poundford left the meeting.

It was recognised that there was no formal appraisal process in place for the Vice Chair but governors felt it appropriate to consider the superb work of the Corporation Vice Chair and commended his commitment, engagement and dedication. Members also recognised his succinct and insightful comments and his contribution across a number of committees, particularly the merger steering group, as well as his very high attendance.

A further report had been circulated reminding members that Mark White and Richard Poundford had been appointed Chair and Vice Chair of the Corporation respectively for a term of office of four years to 31 July 2020 subject to annual review of the decision by governors.

Governors:

- i) noted the appraisal outcomes and **agreed** to remove the question relating to the role of the Chair in representing the Corporation to students in future questionnaires;
- ii) **agreed** to reconfirm the appointment of Mark White as Corporation Chair and Richard Poundford as Corporation Vice Chair for the period to 31 July 2020.

Mark White and Richard Poundford returned to the meeting and were notified of governors' decision and comments. Mark White thanked all governors for their comments as detailed in the appraisal report.

17/73 Agenda Item 20 – Any Other Business

On behalf of the Corporation, the Chair thanked Jamie Anderson for his excellent contribution to Governing Body meetings over the past year in his role as student governor.

The Chair also recognised the forthcoming retirement of Neville Dart from his position as Head of Infrastructure and, at his last formal meeting as staff governor, thanked him for his exceptional contribution as an outstanding colleague. He paid particular tribute to the pride, dignity and respect evident in the College's Armistice Day commemoration activities, led by Neville, and thanked him for his personal advice and impeccable conduct as governor.

17/74 Agenda Item 21 – Approval of Documents for Public Inspection

It was **agreed** that the agenda and supporting documents of the current meeting be made available for public inspection with the following exceptions:

- College Improvement Plan, Performance Improvement Action Plan, retention, quality and recruitment information and merger information which were deemed commercial in confidence
- Staff names related to teaching and learning observation outcomes, as this was personal information
- QAA report and TEF submission which were deemed commercial in confidence
- Commercial information relating to subsidiary companies, which was deemed commercial in confidence
- Committee meeting minutes pending committee approval

Corporation minutes would be published following approval at the next meeting.

17/75 Agenda Item 22 – Date and time of next meeting

The next meeting was scheduled to take place at 5.30 pm on Thursday 19th October 2017. A special meeting would be arranged to take place in early August, as agreed under Item 11. A Governor Workshop was also scheduled to take place at 5.30pm on 14 September 2017.