



## **FE Corporation Minutes**

Meeting held on Thursday 14 December 2017 at 5.30pm in Room 301

**Governors:** Phil Cook (Principal and Chief Executive), David Craig, Michael Duffey, Daniel Johnson, Russ McCallion, Richard Poundford, Michelle Stephenson, Norma Wilburn and Mark White (Chair)

**Officials:** Liz Boynton (Head of Quality), Michelle Elliott (Director of Business Development), Jason Faulkner (Vice Principal: Curriculum), Phil Hastie (Vice-Principal: Corporate Planning and Performance), Mick Hickey (Deputy Principal), Paul Hiser (HR Director) and Sarah Thompson (Clerk to the Corporation)

**Apologies:** Sana Chaudhary, Subhash Chaudhary (leave of absence), Joshua Clarke, Rebecca Hodgson.

Also: Mark Flannery (Director of Students) and Fiona Sharp (Finance Director)

*(Meeting commenced at 5.30 pm)*

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### **Declarations of Interest**

Under Agenda Item 9, Mark White declared an interest as a Visiting Fellow of Teesside University.

Members congratulated Michael Duffey on his appointment as Staff Governor and welcomed him to his first Corporation meeting.

### **17/89 Agenda Item 1 – Ofsted Inspection Outcomes**

The Deputy Principal presented his circulated report providing an outline of the outcomes arising from the short Ofsted inspection of the College's provision on 21 and 22 November 2017. He highlighted that the inspectors had been positively impressed with the College and judged that the College was able to evaluate its strengths and weaknesses. The lead inspector had commented that he would recommend the College to friends and family. Overall, inspectors had found that the College continued to provide a good standard of education and training for learners and that safeguarding was effective. The final letter, confirming inspectors' findings, was expected before Christmas.

A number of governors had met the lead inspector during the inspection process and commented that he had been complimentary about the strengths of the College and the way in which areas for improvement were being dealt with. Governors had also been pleased that the inspector had commented on the College's positive culture and recognised the role of the Corporation in his feedback.

Governors congratulated the College on the positive outcome and expressed their thanks and appreciation to all staff and particularly the Head of Quality and Deputy Principal, as nominee.

The report was received and noted.

**17/90      Agenda Item 2 – College Improvement Plan 2017-18**

The Deputy Principal presented the 2017-18 College Improvement Plan. He highlighted that the number of improvement plans had reduced and areas of improvement were now more specific. As an example, improvements in value added related to continuation and intensification of the work undertaken in 2016-17, including extending use of Markbook, frequent discussions with learners and raising awareness of targets. The Progression Improvement Plan was specifically focussed on internal progression and raising learner awareness of internal progression and transition opportunities, including lower level learners.

Members discussed potential opportunities to reduce documentation provided for meetings. It was recognised that this was a longer-term project but colleagues would continue to aspire to reduce paperwork.

Governors **agreed** to approve the 2017/18 College Improvement Plan.

**17/91      Agenda Item 3 – Annual Safeguarding Report**

The Deputy Principal presented the Annual Safeguarding Report. He asked members to note that a new Head of Student Services with significant safeguarding expertise had been appointed with effect from January 2017. Staffing structures in relation to management of the safeguarding function would be amended.

The Safeguarding Link Governor commended the work of the Deputy Principal and Safeguarding Management Group throughout 2016-17, commending, in particular, the progress achieved in relation to aligning safeguarding arrangements at NETA with the College's robust systems and ensuring designated safeguarding leads were in place at all sites. In response to a question, it was clarified that the Skills Academy Manager was safeguarding lead for the Skills Academy.

Members challenged the number of students refused a place at the College on the basis of unspent criminal convictions and it was clarified that this number was lower than for 2016-17 programmes due to improved processes, including receipt of more information from the Local Authority. Members also asked for trends in respect of support required from welfare teams and it was clarified that this information had not previously been collated but figures for 2016-17 would be used as a baseline for future years.

The report was received and noted.

**4.1 Performance Improvement Action Plans 2016-17 and 2017-18**

A report had been circulated outlining outcomes of the 2016-17 Performance Improvement Action Plan (PIAP). Members were asked to note that more than 50% of the identified courses had improved significantly and the Head of Quality highlighted that the PIAP process was helpful in ensuring areas for improvement remained a focus. The same mechanism would be used in 2017-18, as detailed in the report.

Governors received and noted the information.

**4.2 In-year Retention, Attendance and Punctuality**

The Head of Quality presented her circulated report outlining current retention, attendance and punctuality levels. She asked governors to note that performance in linear A levels was the most significant issue. Actions were in place but there would be an impact on end of year retention. Overall attendance was high with levels slightly above 2016-17 levels but attendance and retention traditionally fell after the Christmas break. Members questioned the reason for this and the Head of Quality highlighted that, in some cases, students did not return. Students' attendance was also impacted by the weather and assignment deadlines. The Vice Principal Curriculum highlighted that welfare officer caseloads had been reviewed and Education Health Care plans were being developed as appropriate, with the aim of supporting students via early intervention.

Members noted some employer dissatisfaction in respect of NETA provision and a NETA Board member clarified that this had been discussed by the NETA Board and was primarily related to staffing issues. New management was now in place at NETA and direction of travel was improved. An additional NETA Board meeting was being arranged to monitor progress. In response to further queries, it was clarified that there had been too little contact between NETA assessors and learners and employers. The new NETA management team had put in place appropriate processes to resolve these issues. Governors noted that this was a significant concern as relationships with employers had been a key strength of NETA. Senior managers confirmed that plans were in place for NETA leads to meet with employers and confirmed their confidence in the ability of the new NETA management team.

The Vice Principal: Corporate Planning and Performance agreed to provide details of the formal opening of the NETA Lustrum Park site to governors.

Governors received and noted the report.

**4.3 Teaching and Learning Observation Outcomes**

The Head of Quality presented her report outlining outcomes of graded observations of teaching and learning. She reported that, during the recent inspection, inspectors had agreed with judgements made by the College's lesson

observers. She also highlighted an increasing number of judgements of good and outstanding teaching, and asked governors to note that 30 teachers with a three year track history of good or better were not being formally observed, as part of the College's risk based approach to allow a focus on key areas for improvement. Members queried processes in other colleges and the Head of Quality clarified that there were a range of approaches. A member queried the position in respect of exempted teachers and the Head of Quality clarified that feedback from learning walkthroughs related to this group would be reviewed and shared at the Learning Fair in February 2018.

Governors received and noted the report.

### **17/93      Agenda Item 5 – Enrichment Update**

The Deputy Principal presented his circulated report and clarified that the College was seeking ways to increase student participation. He asked governors to note areas with lower levels of participation as identified in the report and confirmed that the College was taking action to address this issue. Work was taking place at SRC Bede to involve learners in enrichment activity and learners had been asked which areas they wished to be involved in.

A governor expressed concern and disappointment that the College was unable to place aviation learners at Durham Tees Valley airport because another college had entered into an access contract with Swissport, airport management service. The Vice Principal Curriculum confirmed that the College had challenged this position with a letter of complaint. SRC staff were engaging with larger airlines and other airports and job opportunities for learners were not being limited.

The Principal requested more detailed information on the position and it was **agreed** that:

- i) action in respect of access to Durham Tees Valley airport / Swissport should be considered further;
- ii) further consideration should be given to improving the College's Work Experience Placement strategy, for example, involvement of Business Development Coordinators.

### **17/94      Agenda Item 6 – Learner Voice Outcomes**

The Head of Quality presented her circulated report and highlighted that learner feedback continued to evidence that the College was a good College. Following an early Principal's Learner Forum, the College had been able to address concerns regarding Prevent and online security at an early stage. Learner feedback in respect of NETA had improved significantly from 2016-17 and was now good. Members were also asked to note significantly improved feedback in the NETA staff survey.

A governor noted that students had commented negatively in respect of catering and the Head of Quality highlighted that this was consistent across all levels. The issue had been discussed with the catering team who were working to improve this.

The Principal reminded members of an invitation to attend Principal's Learner Forums and governors received and noted the report.

A report had been circulated providing outcomes of an internal employer survey and an external ESFA FE Choices Employer survey. Previously, the college had found that return rates had been low, at around 10% for the internal survey. A pilot scheme had been introduced in which employers were given a hard copy of the survey at the time of an apprenticeship ending and this had increased the return rate to 45% (72 questionnaires distributed). It was noted that NETA apprenticeships usually lasted for four years, with those at the College lasting two years. Surveys were therefore undertaken annually at the point of review. It was clarified that around one third of the College's Level 3 apprentices were studying via NETA, equating to around one quarter of all the College's apprentices.

The College recognised a need to improve response rate from employers and the Director of Business Development confirmed that the College was not currently measuring the level of repeat business but would in future. She also confirmed that Business Development staff would visit employers to discuss any areas of concern at the earliest possible opportunity.

In respect of the external FE Choices survey, this had been difficult to manage with low response rates. The process was externally managed but the College was in discussions with colleges with a higher response rate to identify any action that could be taken to improve this.

An Ofsted survey had also been undertaken as part of the recent Ofsted inspection. Nine out of 100 targeted employers had returned surveys with 100% satisfaction. This was a snapshot of the provision at this time and there was no comparison to the position at the time of the previous inspection.

Governors challenged the position in respect of relationships with employers and the Director of Business Development confirmed that the College always responded to issues and NETA senior leaders were visiting employers and building relationships. Governors also queried whether employers were surveyed in respect of work experience and the Vice Principal: Curriculum clarified that employers were asked for their views on learners and the College had retained a lot of employers for work experience placements for a number of years. The College did carefully plan work experience placements and would not arrange placements for learners that could pose a risk to the College or themselves. A governor stressed the importance of a cohesive and comprehensive employer engagement strategy covering, for example, business development, NETA and work experience, which would provide a level of assurance. The Director of Business Development confirmed that a commercial survey was undertaken but response rate was very low. Members stressed the importance of a joined up approach in maintaining the good reputation and corporate image of the College as a whole. Members also challenged the position in respect of NETA leadership and the Director of Business Development confirmed that the College was confident in the leadership of the NETA Managing Director and Programme Area Lead for Government Funded, and both were enthusiastic and committed to their roles.

The information was received and noted.

## 17/96 **Agenda Item 8 – Recruitment Update**

In the absence of the Director of Students, the Deputy Principal presented the circulated report. He highlighted that the College was anticipating total recruitment to be around [redacted] learners below target. The additional learners to be recruited in year would be to Prince's Trust and English, maths and English for Speakers of Other Languages (ESOL) programmes. Members were also advised of planned changes to the curriculum for 2018-19 with broadening of the curriculum at SRC Bede to include vocational courses and growth in 16 to 18 provision at NETA.

Members discussed the recruitment target and recognised a need for robust challenge of targets to ensure these were achievable. It was also highlighted that the Youth Employment Initiative had impacted on recruitment to Prince's Trust programmes, but NEETs (young people not in education, employment or training) remained a crucial market for the College.

Governors requested detail on the impact on financial targets and the Vice Principal Corporate Planning and Performance highlighted that the financial impact would be on the 2018-19 16 to 18 allocation. Action to address this shortfall would be discussed with budget holders as part of Business Planning and Performance Review meetings, in line with the usual College processes, and financial plans for the next three years would be reviewed, particularly looking at staffing costs and changes in year. It was noted that the impact on the application to the Transaction Unit would also need to be considered. Members also recognised the impact of the Apprenticeship Levy and it was highlighted that governors would need to consider a strategic approach to College capacity.

Governors received and noted the recruitment information.

## 17/97 **Agenda Item 9 – Higher Education Update**

### 9.1 **HEFCE Annual Assurance Statement**

The HEFCE Annual Assurance Statement had been circulated and was **approved** by governors.

### 9.2 **Teesside University Heads of Terms**

The Principal reported that he would have a further meeting with senior representatives of Teesside University on 15 December 2017. Teesside University was very keen to support colleges and a range of plans were in place.

Governors were also asked to note that the College's first Graduation Ceremony for Higher Education students would take place at The Arc, Stockton, on 10 July 2018.

Governors received and noted the higher education update.

## **17/98     Agenda Item 10 – Merger Update**

### **10.1 Progress Update**

The Chair reported that the Merger Implementation Group continued to meet and a good partnership had been formed. The Chair and Principal had met a range of stakeholders, including councillors at Redcar and Cleveland Borough Council and Head and Deputy Head Teachers within the Redcar and Cleveland area. All stakeholders continued to be positive about the merger, including the Combined Authority and Stockton Borough Council, although there was a recognition that financial support would be required. The Principal highlighted that Ofsted inspections at both SRC and Redcar and Cleveland College had slightly delayed merger progress but the merger business case was under development and MIG had reviewed income lines. Redcar and Cleveland College's initial bid for exceptional financial support had been approved and a further bid would be submitted shortly. The initial funding had included an allocation for strategic support from SRC via the Principal and other senior managers. Funding had also been received to increase capacity and Deputy Directors and a Quality Coordinator had been appointed at Redcar and Cleveland College. A range of appointments had been made to backfill for senior posts at SRC, including a Head of Student Services with a particular focus on safeguarding, Credit Controller, HR Administrator and Marketing Officer. The Principal and other senior managers were spending around two to three days at Redcar and Cleveland College. There were two candidates for the Turnaround Director position and interviews would be taking place week commencing 18 December.

Governors challenged the progress being achieved within the College and the Vice Principal: Curriculum highlighted that the College was pleased to have achieved a positive outcome to Ofsted inspection and was focussing on further improving systems and performance indicators. Members queried the level of support from local politicians and it was confirmed that the MPs for both Stockton South and North were supportive. Liaison with MPs for Redcar and Cleveland was primarily via the Chair of Redcar and Cleveland College Board, although the SRC Corporation Chair and Business Development Director had met the MP for Redcar who had been positive about the merger. The Tees Valley Mayor was also supportive and had provided a statement for the merger press release. Combined Authority officers were also supporting for example, via capital bids. A communications strategy would launch in January.

Members stressed that the aim of merger was to benefit both colleges and communities through the synergies and opportunities of a larger College and stressed the importance of conveying this message to a wider audience. Members recognised the importance of learning from previous merger experiences.

The update was received and noted.

### **10.2 Due Diligence Issues**

A report had been circulated clarifying that the final legal due diligence report had not yet been received and final financial due diligence reports on both Redcar and Cleveland College and Stockton Riverside College had been tabled at

the Audit Committee meeting on 28 November 2017. The report also outlined the proposal that BDO be appointed to provide phase 2 financial due diligence, in line with the advice of the Transaction Unit and recommendation of the Merger Implementation Group.

Members **agreed** to:

- i) accept the outcome of the Phase 1 due diligence reports;
- ii) the appointment of BDO to provide phase 2 financial due diligence.

### **10.3 To consider agreeing to progress with intent to type 'B' merger**

Members confirmed their agreement that the College should continue to progress work with intent to a type 'B' merger with Redcar and Cleveland College.

#### **17/99 Agenda Item 11 – Corporation minutes and actions**

Minutes of the Corporation meetings held on 19 October and 23 November 2017 had been circulated and were **approved** as an accurate record, subject to inclusion of Russ McCallion in the attendance list. Actions and updates were noted.

*Liz Boynton left the meeting.*

#### **17/100 Agenda Item 12 – Subsidiary Company Board / Committees and Task and Finish Groups**

Minutes of the following meetings had been circulated and were received and noted:

- NETA Board meeting held on 17 November 2017  
Members were advised that a special meeting of the NETA Board would be arranged for early 2018 to ensure NETA Board members were able to monitor progress.
- TVC Board meeting held on 17 November 2017
- Audit Committee meetings held on 10 October and 28 November 2017
- Joint Audit and Finance and Employment Committee meeting held on 28 November 2017  
It was noted that a summary of key issues impacting on colleges provided by the external auditors had been circulated to all governors via e-mail.
- Finance and Employment Committee meeting held on 28 November 2017  
Members were advised that the Finance and Employment Committee had considered the financial position of Tees Valley Catering and recognised leadership and management challenges, as discussed at the Tees Valley Catering Board meeting. Members were also advised that recommendations from the Remuneration Committee in respect of pay and performance of senior post holders and the Clerk had been considered and agreed at the Finance and Employment Committee meeting. It was clarified that the Remuneration Committee was chaired

by the Corporation Vice Chair, with Russ McCallion as Remuneration Committee Vice Chair.

- Merger Implementation Group meetings held on 1 and 28 November 2017

In line with recommendations from the Audit and Finance and Employment Committees, governors **agreed** to:

- i) approve amendments to Financial Regulations to update staff names, reduce required number of tenders from six to three and insert 'where available' with regard to written quotations and tenders;
- ii) reappoint RSM as external auditor for one year;
- iii) approve increased subcontracting levels.

The Clerk also agreed to review RAG ratings for actions arising from meetings.

### **17/101    Agenda Item 13 – Annual Reports and Final Accounts 2016-17**

Annual Reports and Final Accounts 2016-17 for the College and its subsidiaries had been circulated and governors were reminded that the documents had been recommended for approval at a joint meeting of the Audit and Finance and Employment Committees on 28 November 2017.

In line with the recommendations of the joint meeting of the Audit and Finance and Employment Committees, governors **agreed** to:

- i) approve the Annual Report and final accounts for Stockton Riverside College for the year ended 31 July 2017;
- ii) receive the final accounts for NETA Training Trust (consolidated) for the year ending 31 July 2017 for inclusion in the Group consolidated accounts;
- iii) receive the final accounts for Tees Valley Catering for the year ending 31 July 2017 for inclusion in the Group consolidated accounts;
- iv) receive the annual report and final accounts for Stockton and Billingham College Developments for the year ending 31 July 2017 for inclusion in the Group consolidated accounts;
- v) accept the management letter from the auditor of the financial statements / management representations letters.

Governors also commended the excellent performance of the College's Finance Team, which had resulted in no audit recommendations. This excellent performance had been recognised by the auditors.

### **17/102    Agenda Item 14 – Corporation and committee membership and development**

Governors received a report outlining the current Corporation and committee membership position. Governors were also asked for information on development or other college activity attended and the following were reported:

- a number of governors had attended Oliver, the College's Christmas show at The Arc, and commended staff and students on the high quality and professionalism of the production;
- a number of governors had been involved in meeting the lead inspector as part of the College's short Ofsted inspection on 21 November and had been pleased at the positive feedback provided by the inspector;

- Russ McCallion reported on his involvement in the Logistics Academy. This was progressing well, with good business plans in place;
- Mark White reported that he had undertaken a very interesting bus tour of the former SSI site. This was a very large regeneration project involving a wide range of agencies. Governors were encouraged to tour the site and the Clerk agreed to circulate an article from the Evening Gazette to all governors.

Governors **agreed** to:

- i) ratify a leave of absence for Subhash Chaudhary from 14 November 2017 to 14 March 2018 ;
- ii) appoint Michael Duffey, Staff Governor, as a member of the Finance and Employment Committee;
- iii) note governor training and development activity completed to date. The Clerk would chase outstanding safeguarding training to be completed by Josh Clarke, Student Governor.

**17/103 Agenda Item 15 – Strategic Seminar**

The draft programme and strategic objectives for the Governors’ Strategic Seminar to take place on 2 and 3 February 2018 were **approved**. It was noted that the Director of Business Development would be the SLT lead for the 2018 seminar.

**17/104 Agenda Item 16 – Any other business**

There were no additional items of business.

**17/105 Agenda Item 17 – 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:

- Ofsted inspection letter, which would be published on the Ofsted website in finalised form;
- College Improvement Plan; Performance Improvement Action Plan and Action Plan outcomes; retention, attendance and punctuality data; employer engagement and feedback information; recruitment data; and due diligence data, which were deemed commercial in confidence;
- Staff names related to teaching and learning observation outcomes, as this was personal information;
- Committee meeting minutes pending committee approval;
- Annual Reports and Final Accounts which would be published in finalised form following sign off by the auditors.

**17/106 Agenda Item 18 – Date and time of next meeting**

Thursday 1 March 2018 at 5.30 pm at Bede Sixth Form.

The Chair thanked governors for their work and commitment over the year and governors thanked the Chair for his leadership.

*(The meeting ended at 7.20pm)*