



FE Corporation Minutes

Meeting held on Thursday 5th July 2018 at 5.30pm in Room 301, Stockton Riverside College

Governors: Phil Cook (Principal and Chief Executive), Subhash Chaudhary, Michael Duffey, Rebecca Hodgson, Daniel Johnson, Russ McCallion, Richard Poundford, Michelle Stephenson, Mark White (Chair) and Norma Wilburn

Officials: Jason Faulkner (Vice Principal: Curriculum), Mark Flannery (Director of Students), Phil Hastie (Vice-Principal: Corporate Planning and Performance), Paul Hiser (HR Director), Mick Hickey (Deputy Principal), Mike Loftus (Merger Project Manager), Mark Moore (Head of Student Services / Safeguarding Officer, for Item 1 only), Gary Potts (Director of Business Engagement), Fiona Sharp (Finance Director) and Sarah Thompson (Clerk to the Corporation)

Also: Paul Wigham (Watson Burton LLP, legal adviser), Adam Howe (Governance Support Officer Designate, for Item 1 only) and Mandy Morris (Vice Principal: Curriculum and Development Designate)

Apologies: Tracy Thomas (Governance Support Officer),
No apologies were received from Sana Chaudhary

(Meeting commenced at 5.30 pm)

The Chair welcomed members and introduced Gary Potts, Director of Business Engagement, Mandy Morris, Vice Principal: Curriculum and Development, Designate and Adam Howe, Governor Support Officer Designate.

18/43 Agenda Item 1 – Mental Health and Well-being

As previously requested by governors, Mark Moore, Head of Student Services and Safeguarding Officer, provided a presentation in relation to mental health, outlining national statistics as well as trends at SRC. Members noted, in particular, that around one in four people would suffer a mental health problem each year. In response to governors' queries, the Head of Student Services confirmed that referrals of students to support services were made by staff and internal referrals were higher at Bede, although the number of students declaring a mental health need on application forms was lower. The reasons for this were not clear and work would be undertaken to look further at this. In response to a query regarding the type of pastoral support offered,

the Head of Student Services clarified that the College operated a tutorial model with sessions over 20 weeks covering life skills such as study and revision skills, and managing stress and anxiety, as well as external speakers. One-to-one support for students was also available. It was confirmed that arrangements were being made to ensure the same support was available to students studying at Redcar & Cleveland College. In response to further queries, the Head of Student Services confirmed that mandatory staff training in relation to mental health would be introduced and staff were able to access relevant professional networks. He also confirmed that GDPR requirements had been taken into account and enrolment forms clarified how student declarations would be used. It was further highlighted that support for staff via MIND was also in place and this could potentially be extended to students. Governors recognised the importance of raising awareness of good mental health among students.

Governors thanked the Head of Student Services for his presentation.

Mark Moore and Adam Howe left the meeting and Fiona Sharp, Mike Loftus, Phil Hastie and Paul Wigham joined the meeting.

18/44 Agenda Item 2 – Merger Update

Members were reminded that information related to the merger should be treated as strictly confidential and all members were asked to sign a confidentiality agreement.

Minutes of meetings of the Merger Implementation Group held on 21 May and 13 June 2018 had been circulated and were received and **noted**.

The Chair advised members that ministerial approval for the merger had been received on 5 July 2018.

The Project Manager provided members with a presentation detailing progress in respect of the merger. This included an update regarding the Sir William Turner Foundation, the merger process, [redacted] and banking arrangements. Members were advised that the majority of formal documentation relating to the merger would be considered for approval at the special Corporation meeting scheduled for 26 July 2018. [Redacted]

Members were also advised of proposed arrangements in respect of bank loans. [Redacted]

18/45 Agenda Item 2.3 – Formal Resolutions relating to finance documents

[Redacted]

(These resolutions were refreshed at the Corporation meeting held on 26 July 2018.)

The Chair thanked the Senior Leadership Team for their significant work and input.

Mike Loftus left the meeting.

18/46 Agenda Item 3 – Approval of financial forecasts and 2018-19 budget

A report had been circulated presenting the proposed 2018-19 revenue and capital budgets and financial forecasts to 2021. The Finance Director clarified that the 2017-18 year end forecast related only to Stockton Riverside College and showed a [redacted] deficit prior to year end adjustments. [Redacted] of costs were attributable to merger. Bank covenants would not be tested for 2017-18 but she was comfortable that the College would have been able to comply. Members noted a forecasted deficit [redacted] for 2018-19 and, in response to queries, the Finance Director clarified that the financial forecasts had indicated a surplus for the Stockton Riverside College group excluding Redcar & Cleveland College. The proposed 2018-19 budget reflected the merger business case and included support required to improve provision at Redcar, for example, additional capacity in relation to marketing and additional staffing. In response to a further query regarding future presentation of financial information, the Finance Director clarified that it would be possible to present financial information in respect of 'business units' (Teesdale, Bede, NETA and Redcar). The costs of central support functions would be charged out to curriculum areas from 2019-20.

Governors **agreed** to approve the proposed 2018-19 revenue and capital budgets and the financial forecasts for 2019-20 and 2020-21.

18/47 Agenda Item 4 – Progress Update against 2017-18 Improvement Plan

The Deputy Principal presented his report detailing progress against the 2017-18 College Improvement Plan. He highlighted, in particular, very good progress in relation to the value added plan and the expectation that value added outcomes would improve. There was also good progress against the English and maths plan. The Principal highlighted that the good progress achieved against the background of a tumultuous year was very positive and governors commended the hard work of managers.

The update was received and **noted**.

18/48 Agenda Item 5 – Attendance, Retention and Progress

A report had been circulated outlining retention, attendance and punctuality for the 2017-18 year to date. The Deputy Principal highlighted that 16-18 retention was slightly higher than in 2016-17 and 19+ retention remained at high levels. A level

retention had improved following re-introduction of AS levels to replace linear A levels. There were issues with retention in electrical installation, where staffing issues were impacting. The Deputy Principal confirmed that progress was being achieved at NETA and retention for high level apprenticeships was expected to improve. Overall, good progress had been achieved with the Performance Improvement Action Plan. 16-18 achievement was expected to improve and 19+ achievement was expected to remain high. Level 2 apprenticeship achievement was predicted to decline but remain above national averages.

In response to a query regarding progress related to the efforts to improve maths and English over the past year, the Deputy Principal clarified that improvements across the board were predicted. Attendance at examinations was a good indicator of outcomes and had been positive.

Overall, the report indicated that the College had maintained its position and had the capability to identify and resolve issues.

The report was received and **noted**.

18/49 Agenda Item 6 – Quality of Teaching, Learning and Assessment

A report had been circulated outlining outcomes of teaching and learning observations, learning walkthroughs and learner survey outcomes. The Deputy Principal highlighted that the number of lessons judged good or outstanding was down [redacted] but this reflected an increase in staff members exempted from formal observations due to achievement of good or outstanding over multiple observations. In addition, observations had been undertaken at NETA for the first time. Excluding these changes, the outcomes showed no deterioration in grades. A large number of walk-throughs had also been undertaken [redacted], specifically targeted at areas with issues. Staff in exempted groups had also been appropriately observed via walkthroughs and reviews of marking and feedback. In response to a governor's query, a staff governor confirmed that staff enjoyed feedback via peer observations and were comfortable with walkthroughs and other observation activity.

Learner satisfaction remained high and there had been pleasing improvements in some responses, for example, learner satisfaction with group tutorials had improved [redacted] and was now in the upper quartile. Positive responses in relation to helpfulness of My Work Search, which was a key feature of the College's study programmes and employability work, had also improved [redacted]. The number of positive responses regarding learners participating in additional activities had also improved.

The report was received and **noted**.

18/50 Agenda Item 7 – Complaints and Compliments

Governors received a report detailing formal complaints and compliments received by the College over the 2017-18 academic year. The Deputy Principal highlighted that the number of formal complaints received was low and that there was no consistent pattern. An issue had been identified in Hairdressing and would be addressed. The College approach was to seek to address complaints informally in teams wherever possible and this was working well. Governors commended the objective and professional approach displayed by the Head of Quality in dealing with complaints.

The report was received and **noted**.

18/51 Agenda Item 8 – Recruitment Update / Enrolment Plans

The Director of Students presented his circulated report and highlighted that the number of applications for 2018-19 had increased year on year, with increases also in active applications and offers accepted. Members queried the number of withdrawals and the Director of Students highlighted that withdrawals had also increased, due to students relocating or obtaining apprenticeships. Significant work was taking place to promote the benefits of further education to students. Applications for higher education provision had increased marginally. There was significant demand for apprenticeships but insufficient vacancies, with around 12 applicants for each vacancy and up to 24 applicants for technical positions. In response to further queries, the Director of Students confirmed that some withdrawals were related to local competition but the College continued to seek to attract students via positive open evenings and a good social media presence.

At Redcar & Cleveland College, applications were also increased, with increases in both active applications and offers accepted. In response to governors' queries, the Director of Students highlighted that the overall position was positive, although there were queries about the accuracy of data in 2017-18. Internal progression required improvement. Traditionally, Redcar & Cleveland College attracted a lot of learners over the summer period and this would be an area of focus. However, application tracking was significantly improved and new recruitment activity had been initiated, including Year 10 taster days.

The College was also exploring corporate partnerships, for example, NETA would enter into a sponsorship package with Middlesbrough Football Club which would provide pitch side and on screen advertising and corporate hospitality. The College would also sponsor the Festival of Thrift, which would take place in Redcar on 22 to 23 September 2018 and would provide an opportunity to recruit for both the Redcar and Stockton sites. In response to queries, the Director of Students clarified that literature would be primarily branded for Redcar but there would be opportunities to promote other campuses and space for students to provide demonstrations. The Director of Students

commended the hard work of staff at Redcar and their positive approach to the new challenges. Members also commended the significant increase in applications to NETA and NETA's social media profile.

The update was received and **noted**.

18/52 Agenda Item 9 – Enrichment Update

A report had been circulated outlining student enrichment and enterprise activity. Members noted, in particular, work to support positive mental health among students via a wellbeing event at SRC Bede, which had received 100% positive feedback. Sport enrichment was continuing and the College was also continuing to develop relationships with agencies. Richard Poundford, Corporation Vice Chair and Enterprise Group Chair, also commended the recent Enterprise Awards event.

The update was received and **noted**.

18/53 Agenda Item 10 – Safeguarding Update

A report had been circulated outlining College safeguarding activity. The Deputy Principal highlighted the positive impact of CPOMS (Child Protection Online Monitoring System) in allowing better reporting and ensuring positive outcomes for learners. It was intended to extend use of CPOMS to the Redcar & Cleveland College campus in 2018-19. In light of concerns reported to the previous Corporation meeting regarding feedback from NETA learners relating to safeguarding, the profile of safeguarding at NETA had been raised. The proportion of learners responding that they felt safe was unchanged at 90%, although the proportion of learners confirming that they knew who to ask for help if safety or wellbeing was at risk had improved by 7% to 5% points above the national benchmark. Work would continue to identify specific actions to support learners at NETA to feel safe.

Staff compliance with mandatory training and safeguarding checks remained high. In response to queries, it was clarified that the Head of Estates continued to explore options in relation to barrier access to College sites. There was not felt to be a compelling case for barrier access and discussions were continuing with staff and students.

Members noted information regarding exclusion of learners on the basis of unspent convictions and it was clarified that learners were usually excluded for offences such as sexual assaults, armed crime or drugs and decisions were made on the basis of keeping students and staff safe. It was confirmed that the College wished to support rehabilitation and would discuss the suitability of applicants with other agencies, for example, the National Probation Services and social services as appropriate.

The update was received and **noted**.

18/54 Agenda Item 11 – Strategic Priorities 2018-19

The Principal reported that College Strategic Priorities for 2018-19 would be in line with the merger business case. Formal priorities and targets would be developed.

Members were also advised that the February 2019 Governors' Strategic Seminar would take place at Hunley Hall Hotel, Brotton.

The approach to establishing the 2018-19 College strategic priorities was **approved**.

18/55 Agenda Item 12 – Corporation Minutes and Actions

Minutes of the FE Corporation meeting held on 10th May were formally **approved** as an accurate record of the meeting. Progress against actions was **noted**. There were no matters arising that were not covered on the agenda.

18/56 Agenda Item 13 – Subsidiary Company Boards and Committees

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

- NETA Board meeting held on 18 May 2018
- Tees Valley Catering Board meeting held on 18 May 2018
The Corporation Chair advised that he would attend meetings of the NETA and TVC Boards in the autumn term.
- Finance and Employment Committee meetings held on 24 May and 21 June 2018
- Audit Committee meeting held on 5 June 2018
As requested by the Audit Committee, an analysis of College action against issues identified via BDO Due Diligence had been made available to governors.
- Search and Governance Committee meeting held on 8 June 2018
- Standards Improvement Committee meeting held on 12 June 2018
The Corporation Chair highlighted a need to consider chairmanship of the Standards Improvement Committee to support distribution of responsibility and wider succession planning.

Members considered recommendations from committees and;

- i) **approved** the Subcontracting Supply Chain Fees and Charges Policy;
- ii) **approved** the revised subcontracting levels for 2017-18;

- iii) **approved** the parameters for subcontracting activity for 2018-19;
- iv) **agreed** use of the SRC Financial Regulations across the College group from point of merger;
- v) **agreed** to reappoint ICCA-ets as internal audit services provider for 2018-19.

18/57 Agenda Item 14 – Risk Management Strategy

The Finance Director presented the risk management strategy for 2018-19 and the College risk registers. She confirmed that she would reduce the number of risk registers to three (College, NETA and TVC). At a governor's suggestion, the Finance Director confirmed that she would review the registers and seek to include the risks related to cultural integration.

Governors **approved** the risk management strategy for 2018-19.

18/58 Agenda Item 15 – Subsidiary Companies

Update reports in relation to NETA and Tees Valley Catering had been circulated. The Finance Director asked governors to note that the College's Head of Estates was now managing Tees Valley Catering and the Tees Valley Catering Board had agreed that the subsidiary should focus on continuing to provide a good quality service in house. The subsidiary would be extended to cover the Redcar & Cleveland College campus.

A report had also been circulated reminding members of reporting mechanisms for subsidiary companies via the FE Corporation and its committees.

The reports were received and **noted**.

18/59 Agenda Item 16 – Governing Body and Committee Membership and Development

A report had been circulated presenting recommendations from the Search and Governance Committee in respect of committee membership. The Search and Governance Committee Chair asked members to note that the committee had recognised, in particular, the need to balance out membership and to ensure more diversity across committees, including among Chairs.

Governors **agreed**:

- i) to extend Michelle Stephenson's term of office as staff governor to 31 July 2018;
- ii) to extend Corporation size to 18 for a period of one year from date of merger;
- iii) to appoint Sam Beel as staff governor with effect from date of merger for a term of office to 5 March 2022;
- iv) to appoint Alys Tregear as staff governor with effect from date of merger for a term of office of one year;
- v) to include a place for one student studying a Higher Education course to serve on

- the Standards Improvement Committee;
- vi) with effect from date of merger, to appoint Norma Wilburn and Michael Duffey to the Search and Governance Committee; John Lowther to the Audit Committee; Dot Smith to the Remuneration Committee; Dot Smith, Rob Mitchell and John Lowther to the Merger Implementation Group; and Sam Beel to the Standards Improvement Committee.

18/60 Agenda Item 17 – FE+ Update

The Principal advised members that FE+ continued to exist and provided good support in many areas, although there were some tensions. The formality of the group had reduced and a formal annual report would no longer be produced. It was felt important to maintain the College's involvement. The Teesside University College Partnership was an increasingly important forum and its scope and reach was expected to increase.

The update was received and **noted**.

18/61 Agenda Item 18 – Strategic Update: Combined Authority/Adult Education Budget Devolution

The Vice Principal Corporate Planning and Performance presented his circulated report providing information on progress in relation to devolution of the adult education budget to the Tees Valley Combined Authority. He highlighted that colleges were still awaiting clarity in relation to funding for the 2019-20 academic year but the Combined Authority had increased its capacity to resolve the issues more quickly. In response to governors' queries, the Vice Principal: Corporate Planning and Performance confirmed that the Combined Authority was in discussions with FE+ and that he was a member of Steering Group and engaging as appropriate with relevant officers.

The update was received and **noted**.

18/62 Agenda Item 20 – Any Other Business

Bank Mandate

At the request of the Finance Director, members **approved** an amendment to the bank mandate to remove Lynn Kirkwood, former Vice Principal: Development as signatory.

Governing Body Membership

Governors noted that the terms of office of Michelle Stephenson and Dan Johnson would cease on 31 July 2018.

Governors thanked Michelle for her service to both the Corporation and its committees and the insights she had provided to governors in relation to the work of

the college and support staff. Michelle thanked governors for all she had learnt throughout her time on the board.

Governors noted that Dan had initially joined the Board as a student governor, before becoming an independent governor and subsequently Chair of the Search and Governance Committee. He had represented the voice of learners and also acted as a civic voice on the Board and would be greatly missed. Dan thanked the College for its positive impact on his life and thanked the Clerk, senior managers and the Principal and Chair for their support throughout his service.

18/63 Agenda Item 21 – Dates and times of future meetings

The next meeting would take place at 5.30 pm on Thursday 5th July 2018 in Room 301, Stockton Riverside College.

Mark White, Corporation Chair, left the meeting.

18/64 Agenda Item 19 – Chair and Vice Chair Review

A report had been circulated presenting outcomes arising from governors' appraisal of the Corporation Chair. The Search and Governance Committee Chair highlighted that this had been discussed at the Search and Governance Committee meeting on 8 June 2018 and reported on to the Corporation Chair, who had been very pleased with the feedback. Members recognised the significant strengths of the Chair and commended, in particular, his inclusivity and his support of new governors.

Governors noted the appraisal outcomes and **agreed** to reconfirm the appointment of Mark White as Corporation Chair for the period to 31 July 2020.

Mark White rejoined the meeting and governors fed back their comments. Richard Poundford left the meeting.

Governors commended the challenge and support provided by the Corporation Vice Chair and recognised his commitment and dedication to the role, including his regular attendance at meetings of the Chair, Vice Chair and Principal.

Governors **agreed** to reconfirm the appointment of Richard Poundford as Corporation Vice Chair for the period to 31 July 2020.

Richard Poundford rejoined the meeting and governors fed back their comments.

Governors commended the work of staff to achieve the current position in relation to the merger, particularly without any negative impact on College standards. While

recognising the significant work still to be undertaken, governors thanked and congratulated staff on their achievements.

Jason Faulkner, Mark Flannery, Phil Hastie, Paul Hiser, Mick Hickey, Gary Potts, Fiona Sharp and Mark White left the meeting.

18/65 Agenda Item 22 – Redacted

Members recognised the significant time spent on merger activity by the Chair and **noted** the report.

Mark White re-joined the meeting and Michael Duffey and Michelle Stephenson left the meeting.

18/66 Agenda Item 23 – Remuneration Committee Recommendations

Members were advised that a meeting of the Remuneration Committee had been held on 5 July 2018 prior to this meeting. The Committee usually reported on to the Finance and Employment Committee but due to timing, it was requested that the committee report on to the corporation in this instance.

The remainder of this item was deemed confidential to governors excluding staff and student members and is included in the Confidential Appendix.

18/67 Agenda Item 24 – 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:

- Documents related to the merger, which were deemed strictly confidential for reasons of business commerciality
- 2018-19 budget and financial forecasts, 2017-18 Improvement Plan, attendance, retention and progress data, teaching, learning and assessment information, recruitment information and risk registers which were deemed commercial in confidence
- Safeguarding Update, which included confidential information regarding learners
- Subsidiary Company and Committee minutes, which were draft pending approval by the relevant committees
- Confidential sections of the Corporation minutes, report regarding remuneration of the Chair, information regarding Remuneration Committee recommendations and governor application forms, which included personal information regarding College staff and prospective governors.