



Minutes of a Meeting of the Board of the Corporation

held in the Conference Room of the College on 23rd July 2013 at 5.30pm.

Present:

Mr T Edwards (Chairman)
Mr A Croney, Mr G Marshall, Mr G Gibson, Mr J Davies, Mrs S Nicholson.

Apologies:

Mr D Waugh, Mr K Temperley, Mrs G Granath, Mr D Temperley, Mr J Lyle.

In attendance:

Mrs S Oman Director of Finance and Resources, Mrs K Redhead Director of Curriculum and Quality, Mrs S Errington Director of Business Development, Mr M Sowerby, (Clerk to the Corporation).

1. Introduction

1.1. The Chairman welcomed everyone present.

2. Declarations of Interest

2.1. There were no declarations of interest.

3. Minutes of a meeting of the Board of the Corporation held on Monday 21st May 2013

Matters arising:

3.1. In relation to item 3.2. The Director of Finance and Resources informed Members that the new Catering Manager was now in post, he had settled in quickly and he had a lot of ideas for improving the service provided.

3.2. In relation to item 5.3. The Director of Finance and Resources informed Members that the expected completion of the sale of Langley Park will be at the end of August. The purchaser is currently having searches undertaken and a previously missing document has just today been found. Following a question the Director of Finance and Resources confirmed that if the disposal proceeds there will no longer be any payback to Durham County Council.

3.3. In relation to item 6.1.7. The Director of Finance and Resources informed Members that the higher teaching costs in November were due to lower costs being reported in the previous months and redundancy payments.

Agreed:

3.4. THAT the Board receive the minutes as a true record.

4. *Draft Minutes of the meeting of the Audit Committee held on Monday 1st July 2013*

4.1. The Chairman of the Audit Committee informed the Board that the minutes were a true representation of the meeting.

4.2. The Chairman of the Audit Committee referred Members to items 7.4 and 7.5 of the minutes and informed Members that a special meeting of the Audit Committee is to take place in October to look at the possible options for modifying the Internal Audit service. The outcome of the meeting and any recommendations will then be reported to the Board for consideration.

Agreed:

4.3. THAT the Board receive the minutes for information.

5. *Chairman's verbal report*

5.1. The Chairman's report consisted of the following items:

- The Strategic Review Planning Day on the 19th June:
- Board Member Personal reviews:
- Communication with the Principal:
- Ministerial Report:
- The AoC Regional event at New College Durham on the 4th July 2013.

5.2. The Strategic Review Planning Day. The Chairman informed Members that the planning day had been an excellent event and very well supported by Members. The Chairman thanked Members for their attendance and involvement in the Strategic Review day.

5.3. Board Member Personal reviews. The Chairman informed Members that the Personal Reviews were taking place much later this year and the Clerk will be trying to arrange the sessions over the next few weeks. The format of the reviews will be the same as last year but with a focus on the Mission and Vision statements of the College.

5.4. The Chairman informed Members that he had been in touch with the Principal throughout his period of illness. On behalf of the Principal and the Board the Chairman expressed his appreciation to the officers of the Senior Management Team for all the work they had done during the Principal's absence.

5.5. Ministerial Report. The Chairman reminded Members of his involvement in the virtual reporting group looking at governance matters. The Chairman had now received a 54 page report on the outcome of the review. The Chairman expressed his initial disappointment with the report but invited 3 or 4 Members to join him in looking at the report in more detail. The findings of the Members will then be reported to the Board in the Autumn.

5.6. The AoC Regional event. The Chairman informed Members that he along with the Vice Chair, Keith Temperley and the Clerk had attended the event on the 4th July. The event had been well attended with approximately 10 regional institutions represented. The topic of the event was to examine the governors role in the scrutiny of the quality of teaching, learning and assessment (TLA). The Chairman then described the organisation of the event.

5.7. The Chairman informed Members that the main driver for governors having greater involvement in TLA was Ofsted. The Chairman and many others felt that this was involving governors in operational matters and was in conflict with governors strategic role. The Board at Derwentside College receive reports on all aspects of TLA and hold the Senior Management Team responsible for ensuring quality and success of the service provided.

5.8 The Chairman informed Members that it was clear that other colleges had not made the transition from education provider to education business and many retained the traditional committee based structure. Representatives at the event were very impressed with our student and staff team awards and saw the informal Member lunches as highly innovatory.

5.9. The Chairman informed Members that the most positive outcome from the event was that our Board is well ahead of other Boards, it works very effectively for Derwentside College and it continues to evolve as circumstances change.

5.10. Following questions the Chairman informed Members that the College is judged effective by all criteria and he disagreed, along with others, with the suggestion that untrained governors should sit in classrooms trying to judge the quality of the TLA. The Chairman reminded Members that for some time Board Members have been encouraged to visit curriculum areas, especially areas outside of their experience and knowledge, to observe TLA and learn more about the range of courses provided by the College.

5.11. The Principal reminded Members that they receive a report on the Observation of Teaching and Learning and informed Members that the best indicators of performance were success rates and making money. At Derwentside College we are achieving good levels of performance all round.

Agreed:

5.12. THAT the Board receive the Chairman's report.

6. *Principal's report*

6.1. The Principal presented his report which included the following:

- Contract Values and Performance to 12 July 2013
- College Development Plan 2013-2014 Update
- Future Strategies – Confidential Report

6.2. Contract Values and Performance to 12 July 2013

6.2.1. The Principal presented the report and informed Members that the Adult Skills Funding allocation had been increased by the Skills Funding Agency (SFA) to £6.599m and the current forecast is that the College will achieve £6.8m by the end of the year. Members were informed that the over achievement of £200k is a risk if the SFA decide not to review our allocation at the end of the year. However the College for the last 3 years, has over performed and the SFA has to date always paid for the over achievement. The Principal then went onto explain the changes in allocations to three of the partners.

6.2.2. Following a question regarding an article in the Evening Chronicle about Derwentside Homes using Gateshead College, the Principal explained that we too have 18 apprentices with Derwentside Homes and they also have learners at New College as well.

6.2.3. Following a further question the Principal explained the variance between the 16-18 Learner Responsive funding allocation of £3.7m and the allocation amount of £2.8km.

Agreed:

6.2.4. THAT the Board receive the Contract Values and Performance update.

6.3. College Development Plan 2013-2014 Update

6.3.1 The Principal provided Members with a copy of the updated Development Plan which included all of the items agreed at the Strategic Review meeting held on the 19th June 2013. The Principal advised Members that in his opinion, the Strategic Review day had been the best one since he had become Principal.

6.3.2. The Chairman informed Members that it was important that the Board fully understood what they were agreeing to, so the Chairman directed Members through the Development Plan on a page by page basis.

6.3.3. Following questions regarding the need to have £2m (15% of income) held in the bank, The Principal explained that due to uncertain times and frequent changes in government policies, money in the bank is necessary to cover any withdrawals and fund new initiatives. New initiatives like National Traineeships may cost money up front to secure the work and then the money is recovered later. A discussion followed concerning the amount that should be held in the bank.

6.3.4. The Chairman commented that the Priorities for Development did not contain a reference to government priorities and suggested that the following wording is included "The College priorities will continue to support Government initiatives in Further Education".

6.3.5. Members noted that the column with the numbering had been missed of the Risk Register and the recommendation from the Audit Committee to add "at all

levels” to the wording of the item entitled “Failure to develop and retain high quality staff” had not been included.

6.3.6. The Director of Finance and Resources informed Members that the Key Performance Indicator figures (Closing Cash Balance 2014/15 and 2015/16) in Appendix 1 needed to be amended to read £2.35m and £2.5m.

6.3.7. The Chairman queried why Equality and Diversity, Staff, Staff Absence and Staff Turnover had no target figures. The Principal advised Members that there are no targets set for these items, they are monitoring statistics included in the plan for information only.

6.3.8. Further questions were then raised regarding the cash to be held in the bank and how withdrawals would be monitored by the Board. The Principal and Director of Finance and Resources reiterated how the proposal would work and following further discussion it was finally agreed that the wording in the Development Plan would be amended to read “whilst seeking to maintain a cash balance of £2 million as a safeguard to future unpredictable trading conditions. The balance will be reported to the Board as part of the normal accountability reporting to indicate usage as circumstances dictate”.

Agreed:

6.3.9. THAT the Board approve the Development Plan subject to the agreed amendments.

6.4. Future Strategies Update – Confidential Report

7. *Finance and Resources Reports*

7.1. Finance Report for the period to 30th June 2013.

7.1.1 The Director of Finance and Resources presented the Finance Report and informed Members that the surplus for the period was £1490k which is £299k ahead of budget. Although there are a number of expenditure variances, both under and over, financially the College is where it needs to be at this time in the year. Members were then directed to the Balance Sheet (Schedule 1.2) and several items including the Multi Use Games Area (MUGA), Langley Park and the inter-company balances were highlighted.

Agreed:

7.1.2. THAT the Board note the report.

7.2. 2013/2014 Budget

7.2.1. The Director of Finance and Resources presented the report and outlined the income and expenditure contained within Schedule 2.1 of the report. Members were advised of the increase in the monthly payroll due to the employment of 13 new assessors, a new Curriculum Manager and a new Business Development resource. A 0.7% pay increase from April 2014 had also been included in the budget.

7.2.2. Members were informed that non pay expenditure is to be cut by £200k from 2012/13 levels to make a contribution toward the above investment.

Agreed:

7.2.3. THAT the Board approve the budget for the year 1 August 2013 to 31 July 2014:

7.3 Three Year Financial Forecast and Risk Register

7.3.1. The Director of Finance and Resources continued her presentation and summarised the Three Year Financial Forecast headlines contained within the Figure 1 of the report. Members were informed that the surplus as a percentage of income was expected to grow to 6% by 2015/2016. This is a healthy return when compared with the sector guide of 3%.

7.3.2. The Director of Finance and Resources then outlined the changes to the format of the Risk Register which had been agreed by the Audit Committee at the meeting on the 1 July.

Agreed:

7.3.3. THAT the Board approve the financial forecasts for the period 2013/2014 to 2015/16, and the amended Risk Register.

7.4. Fees and Charges Policy 2013/2014

7.4.1. The Director of Finance and Resources presented the report and informed Members that, apart from a little tidying, the policy approved last year had not changed.

Agreed:

7.4.2. THAT the Board approve the 2013/2014 Fees and Charges Policy

7.5. Financial Support for Learner's Policy

7.5.1. The Director of Finance and Resources tabled a report and after allowing time for Members to read it, explained the changes proposed. The changes included streamlining the process and removing one of the eligibility criteria. Members were informed that the changes were necessary because funding reductions next year would result in a much greater cost to the College.

7.5.2. Following questions the Director of Finance and Resources confirmed that learners receiving support signed an agreement to payback money if they failed to attend courses, recovery of money is not always practicable, over 300 learners have received support this year, money for support is not available from any other sources, free meals will continue to be available for learners living in a household with an income of £26k or less.

7.5.3. Following a discussion about eligibility Members agreed to approve the proposed policy.

Agreed:

7.5.4. THAT the Board approve the Financial Support for Learner's Policy

8. *Director of Curriculum and Quality Reports*

8.1 Staff Survey 2012 - 2013

8.1.1 The Director of Curriculum and Quality presented the report and reminded Members that the College had replaced the QDP staff survey with an in-house survey in 2011-12. A response rate of 70% was achieved in 2012-13 (108 staff out of a possible 154).

8.1.2 The Director of Curriculum and Quality then highlighted the responses that had improved since the last survey. Members were informed that where responses had declined these were mostly from staff in one curriculum area where there had been redundancies and a relatively new manager who has since resigned. The Director of Curriculum and Quality then highlighted the demographics and the action plan.

Agreed:

8.1.3. THAT the Board note the report.

10. *Board Matters*

10.1 Training and Effectiveness. The Clerk informed Members that he had been unable to identify any local or national Governor training sessions taking place over the summer months.

10.1.2. The Clerk informed Members that the term of office of the Vice Chairman expires in November. As there is no meeting in November the appointment of the Vice Chairman will be considered at the next meeting. Mr Marshall confirmed that he was willing to stand again. Any other Members interested in the position were asked to contact the Clerk.

11. *Next meeting Agenda*

11.1. Items for the next meeting include:

- Declarations of Interest
- Minutes of the previous meeting
- Chairs verbal report
- Principal's report
- Finance report.
- Complaints report
- Observation of Teaching and Learning report
- Learner Survey

- Quality Improvement Plan Final report
- Member Personal Review report
- Appointment of Vice Chair

12. *Any other business*

12.1. The Chairman asked if anyone knew when the official opening of the Stanley Academy was planned to take place. No one knew but it was thought that the official opening would be sometime after the actual opening in September.

12.2. The Director of Business Development informed Members that Stephanie Nicholson had visited RAF Leeming in relation to two former Future Strategy students. However following talks a further 30 new students, in a range of studies, had subsequently been enrolled. The Chairman thanked Stephanie on behalf of the Board.

13. *Date of next meeting*

13.1. The date of the next meeting is Tuesday 8th October at 5.30pm.

The meeting closed at 7.30pm.