



## **Minutes of a Meeting of the Board of the Corporation**

held in the Conference Room of the College on 22<sup>nd</sup> July 2014 at 5.30pm.

### ***Present:***

Mr T Edwards (Chairman)  
Mrs K Redhead, Mr G Marshall, Mr G Gibson, Mr J Davies, Mrs C Richards, Ms N Dixon.

### ***Apologies:***

Mr D Waugh, Mrs G Granath, Mr D Temperley, Mr J Lyle, Mrs S Nicholson, Ms A Form (Observer), Mr C Todd Director of Curriculum and Quality, Mr I Gardner Quality Manager.

### ***In attendance:***

Mr C Todd Director of Finance and Resources, Mrs S Errington Director of Business Development, Mr M Sowerby, (Clerk to the Corporation).

## ***1. Introduction***

- 1.1. The Chairman welcomed everyone present and in particular Mrs C Richards who was attending the meeting for the first time. Members were informed that Mr K Temperley's term of office had ended and following a ballot of teaching staff Mrs Richards had been appointed as the new Teaching Staff Member. The Chairman thanked Mr Temperley and Mr Lyle, who had also retired from the Board, for their commitment and support over the last four years.
- 1.2. The Chairman then reminded Members that this was a significant meeting as the Board would be approving the Budget, the outcome of the Strategic Review, the Mission, Vision and Values and the rebranding of the College. Members were advised that it was essential that they fully understood the Budget implications.

## ***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 Tuesday 13<sup>th</sup> May 2014.***

### ***Matters arising:***

- 3.1. In relation to item 3.1. The Public Interest Disclosure item. The Principal reminded Members of the background to the item and then provided Members with a

further update on the situation. Since the initial investigation further correspondence had been received and some new areas had been highlighted. The individual had also sent correspondence to the Skills Funding Agency (SFA), two other colleges who also had contracts with the training organisation at the centre of the complaint, senior politicians, the Department for Business, Innovation and Skills (BIS), the Fraud Squad and two awarding bodies.

3.2. Members were informed that;

- The Director of Finance and Resources is to look at the new allegations, carry out an audit of all the learner records and interview learners and the Managing Director of the company. The extended investigation will be completed by the end of October;
- The SFA have acknowledged the correspondence and the work we have done to date;
- The funding to the company has been reduced and will only be reinstated on satisfactory evidence of functional skills and learning activity taking place.

3.3. Following questions from the Chairman the Principal confirmed that there was always a possibility of negative publicity for the College and a press release has been prepared in advance. Serious consideration is being given to any future contract with the company. The situation cannot go on indefinitely and we must act expediently to the satisfaction of the SFA. The Board will be kept up dated on the matter.

3.4. In relation to item 4.3.2. Member recruitment. The Chairman informed Members that he and the Clerk had met with a most suitable person who had been invited to attend this meeting as an Observer. Unfortunately due to a prior commitment she had been unable to attend this evening but will be invited to the next meeting of the Board.

***Agreed:***

3.5. **THAT the Board receive the minutes as a true record.**

**4. *Minutes of the meetings of the Audit Committee held on Monday 10<sup>th</sup> March 2014 and Monday 28<sup>th</sup> April 2014.***

4.1. The Chairman of the Audit Committee informed the Board that the minutes were a true representation of both meetings and there was nothing further to add.

4.2. Following a question regarding item 4.4 of the minutes of the 10<sup>th</sup> March the Director of Finance and Resources informed Members that the Risk Management Strategy is being developed and will be presented to the next meeting of the Board.

4.3. The Chairman of the Audit Committee gave a brief summary of the meeting of the 28<sup>th</sup> April and informed Members that the Committee were pleased with the work undertaken by Pricewaterhouse Coopers (PwC) so far.

4.4. Following a question from the Chairman the Clerk confirmed that the comment referred to in item 4.1 (bullet point 5) of the minutes of the 28<sup>th</sup> April minutes had been a negative comment.

***Agreed:***

**4.5. THAT the Board receive both sets of minutes for information.**

**5. *Chairman's verbal report***

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

- The Regional AoC event:
- AoC webinars:
- Trusteeships:
- Board Member Personal reviews:
- Meeting with the Director of Finance and Resources:
- The Awards Event

5.2. The Regional AoC event. The Chairman informed Members that he along with the Principal, Vice Chair and Mr Gibson had attended the event on the 26<sup>th</sup> June.

The event consisted of the following presentations:

- Current and forthcoming finance, funding and political issues for colleges, presented by Julian Gravatt from the AoC:
- Government policy on economic growth and localism including Local Enterprise Partnerships, City Deals and Local Growth Fund, presented by Tom Smyth from BIS:
- Ofsted's role, experience and recent developments in inspecting and supporting the improvement of quality in the FE sector, presented by Gill Reay from Ofsted.

5.3. The Chairman informed Members that the presentations had been very interesting but he had found Ofsted's expectations of the role of volunteer governors to be totally unrealistic and had commented accordingly.

5.4. AoC webinars. The Chairman informed Members that he had received notification of a series of AoC webinars. The Chairman explained webinars and advised Members that webinars can be viewed by individuals at home or as a group in the Albert Crony suite. The Clerk informed Members that starting in September it is currently proposed that there will be a webinar session each month. Members will be notified when further details are confirmed.

5.5. Trusteeships. The Chairman informed Members that he had asked the Clerk to explore the implications of changing the name from Governors to Trustees. The Chairman will report the outcome of the investigation to the Board for consideration.

5.6. Board Member Personal reviews. The Chairman informed Members that the Clerk will be trying to arrange the Personal Reviews meetings over the next few weeks.

5.7. The Chairman informed Members that he and the Vice Chair had met with the Director of Finance and Resources. A number of issues relating to the College finances and the budget had been raised and it had been a very positive informative meeting.

5.8. Finally the Chairman informed Members that the date of the Awards Event had been finalised and the Event is to be held on Thursday the 27<sup>th</sup> November 2014. The Event is to take place in the College as last year.

5.9. A Member made a comment regarding an article in the Evening Chronicle about devolution of powers if the Labour Party is elected at the next election. A discussion followed. The Principal informed Members that she receives manifesto briefings from a number of sources but was unaware of anything which would significantly impact on the College. The Principal informed Members that she would look into the article and report back to the next meeting.

***Agreed:***

**5.10. THAT the Board receive the Chairman's report.**

**6. *Principal's report***

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

- 2013/14 Performance against recruitment targets
- Funding allocations for 2014/15 update
- Sale of Langley Park update
- Strategic Review/Development Plan update
- Mission, Vision and Values

**6.2. 2013/14 Performance against recruitment targets – Confidential Item**

**6.3. Funding allocations for 2014/15 update**

6.3.1. The Principal reminded Members that the EFA funding allocation is to be reduced by about £400k in 2014/15. The College is to submit a case for in year growth, which if successful, will compensate for this reduction. A very positive meeting with EFA representatives has recently taken place. The EFA were particularly interested in our work in traineeships.

6.3.2. The Principal informed Members that the in year funding issue with the SFA has now been satisfactorily resolved however we are now focussing on resolving the 2014/15 allocation.

***Agreed:***

**6.3.3. THAT the Board receive the Funding Allocation update.**

**6.4. Sale of Langley Park update**

6.4.1. The Principal informed Members that contracts for the sale have now been exchanged. The purchaser has asked for a three month delay before completion. If the sale does not proceed the purchaser will lose the £13k deposit. Durham County Council is also eager for the sale to go through.

***Agreed:***

**6.4.2. THAT the Board receive the report.**

**6.5. Strategic Review/Development Update**

6.5.1 The Principal outlined each of the three priority areas for 2014/15 which had been agreed at the Strategic Review held on the 18<sup>th</sup> June 2014.

6.5.2. Following questions from the Chairman, the Principal confirmed that;

- FELTAG was the FE Learning Technology Action Group;
- Engineering is to include Manufacturing and Technology. There had been a leadership issue in this area which is now resolved. Engineering will be absorbed into a bigger curriculum area;
- Job Centre Plus is a Government agency and therefore subject to political whims but they are an important aspect of getting people into work. The College is not heavily reliant on this work but we will provide recognised Maths or English qualifications or traineeships. The Director of Business Development informed Members that one barrier, the ineligibility of 19-24 year olds if they already have a level 2 qualification, is currently under consultation.

6.5.3. The Director of Business Development informed Members that a Beacon Award application had been submitted by the College. The application relates to the traineeship work undertaken by the College and one of our partners.

6.5.4. Members were advised that the awards process is quite long. If shortlisted, an assessor will visit the College after the holidays and the AoC will make an announcement at the AoC Annual Conference in November. The Beacon Award has a £5k prize, it validates the work and success of the College nationally and enables the College to use the award in future publicity information.

6.5.5. Finally the Principal advised Members that the update Development Plan will be available in September.

***Agreed:***

**6.5.6. THAT the Board approve the Strategic Review report.**

**6.6. Mission, Vision and Values**

6.6.1. The Principal provide Members with the background to the report and then outlined each section of the report.

6.6.2. Mission. The Chairman commented that there was no reference to entrepreneurships or Small, Medium Enterprises (SMEs). Comments from a Member who could not be present were read out by the Chairman. Members agreed that they

liked the first sentence of the Mission but the second sentence seemed like an after-thought and out of place. The Principal advised Members that the Senior Management Team (SMT) had tried to keep the statement succinct, with a focus on sustained employment. It was agreed that the second sentence should be removed and incorporated into the Values.

6.6.3. Vision. The Chairman commented that in his opinion the Vision repeated the Mission statement. A discussion took place over the use of the word “best” and how this could be measured. It was decided that the words “aims to be” should be added and the word “our” removed from the statement.

6.6.4. Core Values. The Chairman made several suggestions regarding the wording and order of the values. A Member commented that there was no reference to staff in the Excellence section. It was agreed that staff would be included. It was agreed that the word “our” should be added into the Partnership section and the order should be changed to Excellence, Employability, Partnership and Accountability,

### ***Agreed:***

**6.6.5. THAT the Board approve the changes to the Mission, Vision and Core Values subject to the amendments referred to above.**

## **6.7 College Rebranding**

6.7.1. The Director of Business Development presented several design and colour options for a new logo, letterhead and publicity use. Members inspected each variation and after due consideration the most popular options were agreed.

## **7. Finance and Resources Reports**

### **7.1. Finance Report for the period to 31<sup>st</sup> May 2014.**

7.1.1 The Director of Finance and Resources presented the Finance Report and informed Members that now that the in-year funding allocation issue with the SFA has been resolved an accurate forecast for the year end has been produced.

7.1.2. The Director of Finance and Resources outlined the income and expenditure information and informed Members that the College is in a very strong financial position, target setting is robust and expenditure is controlled. Forecasts indicated that the year- end operating surplus would be slightly lower than expected due to an under delivery in the 16-18 and Adult Apprenticeships. Members were reminded that there will be a significant claw back next year due to under delivery against the Adult Skills Budget. This has been accounted for in future budgets.

7.1.3. Members were informed that although the financial health of the College remains “good” overall, a small improvement in any of the key ratios will allow the College to move into the “outstanding” category.

7.1.4. The Director of Finance and Resources finally advised Members of the following developments;

- the internal audit plan has been agreed with the new auditors and the external audit work is progressing;
- the finance system is to be upgraded between September and January 2015;
- the College is to be subject to a funding assurance audit by the SFA in September.

**Agreed:**

**7.1.5. THAT the Board note the report.**

**7.2. 2014/2015 Budget**

7.2.1. The Director of Finance and Resources informed Members that he intended to present the Budget Report and the Financial Plan together. The Director of Finance and Resources advised Members that budget managers and the SMT have all been involved in the development of the budget over the last six months.

7.2.2. The Director of Finance and Resources then outlined the income and expenditure summary contained within the report and referred to the College's strong financial position and the forecasted level of surplus. The Director of Finance and Resources then outlined the funding income streams and summarised the funding cuts for 2014/15 and beyond.

7.2.3. Following a question the Director of Finance and Resources informed Members that the payroll budget has increased due to the newly developed staffing establishment and will continue to increase due to incremental pay increases and inflation. The Director of Finance and Resources outlined the non-pay expenditure section of the report providing details of the increases in the Learner Support Budget and Marketing Budget and the decrease in the Admin and Central Services and the Running and Maintenance costs.

7.2.4. The Director of Finance and Resources advised Members that in order to improve the quality of the financial information available, significant changes have been made to the Financial Ledger. As a result of these changes the performance of individual Profit /Cost Centres can be reviewed. The Director of Finance and Resources then summarised each section of the Profit Centre Analysis contained within the report.

7.2.5. The Capital Budget was then outlined and Members were given details of specific projects and the proposal for a provision to be ring fenced for future College upgrades. Members were informed that the SMT would begin to explore options for the use of this money and proposals will be presented to the Board for consideration and approval.

7.2.6. Finally the Director of Finance and Resources highlighted the Cash Balances and Cash Movement Reconciliation and summarised the Financial Health of the College.

7.2.7. The Chairman thanked the Director of Finance and Resources for a very clear report and made positive comments about the College's strong financial position and the proposal to ring fence an amount for future capital expenditure. The Chairman

reminded everyone present of the commercial sensitivity of the reports and enclosures.

***Agreed:***

**7.2.8. THAT the Board approve:**

- **The Annual Budget for 2014/15:**
- **The Financial Plan covering the period from 2013/14 to 2015/16:**
- **The Capital Budget for 2014/15:**
- **In principal to the allocation of (confidential amount) in capital reserves to support future investment in the College's buildings and facilities**

**7.3. Fees and Charges Policy 2014/2015**

7.3.1. The Director of Finance and Resources explained the background to the report and outlined each of the various fee categories. Members were informed that due to changes in government policy employer contributions will be probably be required after 2014/15.

***Agreed:***

**7.3.2. THAT the Board approve the 2014/2015 Fees and Charges Policy**

**7.4. Financial Support for Learner's Policy and Procedure**

7.4.1. The Director of Finance and Resources informed Members that this report is very operational and has been presented to the Board for information. It is proposed that this report should not be presented to the Board in future.

***Agreed:***

**7.4.2. THAT the Board note the Financial Support for Learner's Policy**

**7.5. Health and Safety Report**

7.5.1. The Director of Finance and Resources presented the report and highlighted the College and Partner delivery. Following a question from the Chairman the Director of Finance and Resources confirmed that the Health and Safety policies of the partners comply with the College's policy.

7.5.2. The Principal provided further explanation in relation to the relatively high incidents of violence in the Partners section of the report. Members were advised that the Director of Curriculum and Quality is currently investigating the incidents. The outcome of the investigations will be reported to the Board at a future meeting.

7.5.3. The Director of Finance and Resources finally highlighted the Fire Evacuations and the Risk Assessment Compliance sections of the report. Members were advised that an external specialist is to be engaged to provide independent assurance on the adequacy of the Health and Safety Policy and Procedure.



**Agreed:**

**7.5.4. THAT the Board note the report.**

**8. Director of Curriculum and Quality Reports**

**8.1 Staff Survey 2013 - 2014**

8.1.1 The Principal 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 but this had dropped to 63% in 2013/14. All of the responses had been sorted into three categories. The Principal outlined each category and summarised all of the less positive responses.

8.1.2 The Principal informed Members that a third of all staff including many middle managers had been employed for less than a year. Following a comment from the Chairman the Principal explained that the Teaching Staff appear to be least positive probably because at the time they were undergoing a stressful process, trying to make sure that apprentices were signed off in a timely fashion.

8.1.3. The Chairman asked the Teaching Staff Member if she had anything to add and she stated that there was often a lack of communication, with staff not always being informed about what is going on and staff not getting information from management. All staff meetings used to be held and these were a good way to disseminate information. The Principal accepted this view.

8.1.4. The Principal informed Members that staff members are still wary about the anonymity of the questionnaire and the process and the culture need to be improved. Communication improvements need to be made and the reinstatement of all staff meetings are being planned. The Director of Business Development commented that it had been a difficult year because of the many changes that had taken place.

8.1.5. The Chairman commented that any institution relies heavily on the commitment of staff and asked that the Board is kept informed of the outcome of the proposed actions. The Principal informed Members that the College will need a high level of dedication from staff, consistent communications and valued staff if the College is to become Outstanding. The Principal informed Members that a mid-year update report will be presented to the Board.

**Agreed:**

**8.1.6. THAT the Board note the report.**

**8.2. Quality Improvement Plan (QIP) Update**

8.2.1. The Principal presented the report and provided Members with the background and objectives of the report. Members were informed that the QIP is structured in line with the current Ofsted Common Inspection Framework and is divided into three areas;

- Outcomes for Learners;

- Quality of Teaching, Learning and Assessment;
- Effectiveness of Leadership and Management.

8.2.2. The Principal then summarised the planned actions and explained the one action where major slippage had been identified.

8.2.3. Following a question regarding the ownership of the plan, the Principal advised Members that the QIP is a live document which is used by the SMT and Curriculum Mangers who have responsibility for each of their Sector Subject Areas.

***Agreed:***

**8.2.4. 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.

10.2. The next AoC regional event is to take place w/c 24 November and there is to be another webinar event in September. When more information on either event is available the Clerk will let everyone know.

**11. *Next meeting Agenda***

11.1. The Clerk advised Members that he and the Principal were currently reviewing the annual report schedule and items for the next meeting may be subject to some changes. The current items for the next meeting include:

- Declarations of Interest
- Minutes of the previous meeting
- Chairs verbal report
- Principal's report
- Finance report.
- Observation of Teaching and Learning report
- Learner Survey including Complaints report
- Quality Improvement Plan Final report
- Member Personal Review report

**12. *Any other business***

12.1. The Clerk informed Members that he had today received the resignation letter from Mr Waugh. The Chairman on behalf of the Board thanked Mr Waugh for his support, contribution and commitment over the years. A discussion took place regarding strengthening the current profile of the Board.

**13. *Date of next meeting***

13.1. The date of the next meeting is Tuesday 7<sup>th</sup> October at 5.30pm.

The meeting closed at 8.55pm.