

**MINUTES OF A MEETING OF THE CORPORATION BOARD
HELD IN THE TONY EDWARDS BOARD ROOM ON
TUESDAY 27th FEBRUARY 2024 AT 5.30 PM**

Governors	Type	Initials	Attendance	Apologies
David Allsop	Independent (Chair)	DA	X	-
Chris Todd	Principal and CEO	CT	X	-
Lesley Sewell	Independent	LS	-	X
Carl Bozeate	Independent	CB	X	-
Carole Loader	Independent	CL	X	-
Guy Brown	Independent	GB	X	-
Sarah Jones	Independent	SJ	X	-
Kelly Miller	Independent	KM	X	-
Matthew Taylor	Independent	MT	X	-
Mark Short	Independent	MS		X
Vicky McDermott	On sabbatical	VM	-	-
Simon Howard	On sabbatical	SH	-	-
Helen Brennan	Staff Governor	HB	X	-
Nicola Dixon	Staff Governor	ND	X	-

Attendees	Type	Initials	Attendance	Apologies
Susan Errington	Deputy Principal	SE	X	
Andrew Hayday	Vice Principal – Finance	AH	X	
Rachel Holmes	Director of HR	RH	X	
Michael Johnson	Assistant Principal – Student Services	MJ	X	

Clerk	Type	Initials	Attendance	Apologies
Elaine Gaines	Head of Governance	EG	X	

Observer	Type	Initials	Attendance	Apologies
Rebecca Hart	Potential Student Governor	RH	X	

1. Welcome and Apologies for Absence

- 1.1. The Chair welcomed everyone to the meeting. A warm welcome was extended to Matthew Taylor, who following the recommendation of the Search & Governance Committee is proposed as a new governor. It was noted a potential Student Governor (Rebecca Hart) will be joining the meeting as an Observer, although she was running late.
- 1.2. Apologies were received from LS and MS. **The Board agreed that the meeting was quorate.**

2. Declarations of Interest

- 2.1. There were no declarations of interest.

3. Appointments

3.1. **Appointment of Head of Governance (Senior Post Holder)**

The Chair asked EG to leave the proceedings for the next agenda item (item 3.1 – appointment of Head of Governance).

The Head of Governance position had been advertised internally. A letter of application was received from Elaine Gaines and an interview took place on Thursday 1st February. The interview panel recommended the appointment of Elaine Gaines to the role of Head of Governance with effect from the 28th February 2024. **The Board agreed to the appointment of Elaine Gaines as the College's new Head of Governance.**

EG was invited back into the room and informed of the decision.

3.2. **Vice Principal Recruitment**

The Chair reported that interviews for the 'Vice Principal – Finance' position will take place tomorrow (Wednesday 28th February). Three candidates have been shortlisted for interview. The Interview Panel will consist of the Chair, CT, SJ and CB. Candidates will also be interviewed by relevant members of the Senior Leadership Team and will be required to present a report on the month 6 management accounts to the selection panel.

The Chair reminded Governors that a recruitment campaign, supported by AoC Create took place in Autumn 2023 for the role of Vice Principal – Finance & Resources / Chief Financial Officer. Interviews took place, however no suitable candidate was found. With the agreement of the Search & Governance Committee the advert was revised (Vice Principal – Finance) and readvertised at the end of last year. The new round of recruitment with Nigel Wright has subsequently attracted three high calibre candidates.

The Chair asked Governors to Delegate Authority to the Interview Panel to appoint a candidate to the most appropriate role (as outlined above). It was noted the appointment of a suitable candidate to the role of Vice Principal – Finance & Resources will release some pressure from the Executive Team.

The Chair invited questions from Governors.

- SJ wanted to know whether the interview candidates were aware of both roles. The Chair confirmed that they were.
- MT wanted to know what would happen to the resources function if no suitable appointment was made. CT confirmed that these functions would remain as they are now, with Interim appointments in place and himself and SE picking up line management responsibility for Estates and Facilities, and Information Services respectively.

The Board agreed to delegate authority to the selection panel to appoint a suitable candidate to the role of either 'Vice Principal – Finance' or 'Vice Principal – Finance & Resources', dependent on the skills and capabilities of the candidate selected.

At 5.35 pm Rebecca Hart (potential Student Governor) joined the meeting. The Chair welcomed Rebecca to the meeting. Introductions were made and the proceedings resumed.



3.3. Appointment of Governors

The Chair reported that following the successful completion of their probationary period, it is the recommendation of the Search & Governance Committee that Ms Lesley Sewell (Governor) and Ms Helen Brennan (Staff Governor) are both appointed as Governors for a four-year term.

The Chair also reported that it is the recommendation of the Search & Governance Committee that Mr Guy Brown, Ms Kelly Miller and Ms Sarah Jones are appointed as Governors, subject to the successful completion of the probationary period.

The Board agreed to the appointment of:

- Lesley Sewell as a governor for a four-year term;
- Helen Brennan as staff governor for a four-year term;
- Guy Brown, Sarah Jones, Kelly Miller and Matthew Taylor as independent governors, subject to the successful completion of the probationary period.

3.4. Appointment of Governors to Sub-Committees

The Board agreed to the appointment of:

- Sarah Jones to the Search & Governance Committee;
- Guy Brown, Carole Loader and Kelly Miller to the Quality & Standards Committee;
- Matthew Taylor to the Audit & Risk Committee.

3.5. Appointment of Quality & Standards Committee Chair.

The Chair reminded Governors of the appointment of Lesley Sewell to the role of Audit & Risk Committee Chair at the Board meeting on 5th December 2023. Since that meeting, LS has informed the Chair of her intention to stand-down as Quality & Standards Committee Chair.

The Chair asked members of the Quality & Standards Committee, if they would like to nominate from the existing Quality & Standards Committee membership for a Governor to take up the role of Quality & Standards Committee Chair. It was noted that Guy Brown had previously expressed an interest in the role. The Chair asked he was still interested in the role and this was confirmed.

No other nominations were received. **The Board agreed to the appointment of Guy Brown as Chair of Quality & Standards Committee Chair.**

3.6. Governor Recruitment Update

The Chair informed the Board that the current phase of Governor recruitment with the College's recruitment partner (Peridot) had closed. Shortlisting and interviews are scheduled to take place over the next two weeks.

4. Minutes of Previous Meetings and Matters Arising

4.1. Minutes – Corporation

The Board **reviewed** the minutes of the meeting held on the 5th December 2023 and **agreed**, subject to minor amendments being made that they were a true and accurate record of the meeting. **The minutes were approved.**

4.2. Minutes – Search & Governance Committee

The Board **received** the draft minutes of the Search & Governance Committee held on Tuesday 16th January 2024.

4.3. Minutes – Quality & Standards Committee

The Board **received** the draft minutes of the Search & Governance Committee held on Tuesday 16th January 2024.

The Chair provided a verbal update to the Board on behalf of the Chair of the Quality and Standards Committee. The following points were noted:

- The Quality & Standards Committee meeting went well, and the additional members provided for some good discussions and will certainly help develop the functioning of the Committee. The key points for the Board were outlined as follows:
- Whilst there was a good update from the Head of Quality and Standards on the activities to monitor the quality of Teaching and Learning, Learner Voice and Professional Development activities carried out throughout the first term; the Committee felt that there is a need for annual planned activities from the Quality & Standards area to be visible to the Committee. This is mainly to ensure there are no obvious gaps.
- There was also a presentation to the Committee from the Apprenticeship Manager for Care. A lot of good progress, with thanks to the team for all the good work they have done. One area which requires further detailed MI and visibility at both the Committee and Board are the level of overdue, which at the time of the Quality & Standards Committee was standing at 120. Whilst the number is significantly reduced, it is still high and has a lot of focus at the apprenticeship review meetings.
- At the next Committee meeting a deep dive on the Maths and English provision is planned, with detailed MI on achievement levels, and in particular first-time attempt success rates.

CL agreed to schedule a call with the Head of Quality & Standards to share information relating to the development of a College Quality Strategy.

5. Strategy and Direction

5.1. Principal and CEO Report

CT expressed his thanks to the new Governors for agreeing to join the Board. Following the last Ofsted Inspection (October 2022), CT concluded there was a definite need to strengthen the Board and corporate governance. The College will be inspected again in approximately three years time; this window will provide the opportunity for Governors to develop as an effective team and provides time for them to demonstrate their impact.

CT introduced his report. The purpose of the report was to provide the Board with a clear view on current risks and opportunities; the position of the College on its journey to achieving the strategic objectives and matters that cause him concern.

Key Issues & Concerns

- **Governance** – Governor recruitment has continued, and the skills mix/diversity of the Board is improving. A Head of Governance has now been appointed. The Board Assurance Framework is under development and a new Finance & Resources Committee is to be introduced for 2024-25.
- **Cash Flow and Cash Management** – [Redacted – commercially sensitive].
- **Capital Grant Payment** - CT informed Governors that notification has been received regarding the Capital Grant Payment due in March.
- **Business Development and Growth** – The Business Development Team play a crucial role in the ongoing generation of business within Adult Education and Apprenticeships,



the College is heavily reliant on these two funding streams and some staffing changes have impacted staffing resources on the Apprenticeship arm of the department. In the short term, until more business development consultants are recruited there is a risk that apprenticeship new starts may be impacted. The forecast has been reduced to account for this, while recruitment takes place in this key area. There is significant scope for the College to grow its employer responsive provision (Adult Education Budget / Apprenticeships), to do this and to capitalise on opportunities available, there is a growing need to increase the College's business development capacity, which may require additional investment. This will form part of the discussions at the Board Away Day in June.

CT invited questions/comments from Governors.

[Redacted – commercially sensitive].

News and Updates

- **Annual Strategic Conversation with the DfE (5th March 2024)**

The Chair, CT and SE will meet with the DfE and a representative from the FE Commissioners Team on the 5th March for the Annual Strategic conversation meeting. Agenda items will include:

- *Meeting learner and labour market needs* – in particular, the 'Duty to Review' introduced within the new Skills Act and the development of our Annual Accountability Statement.
- *T-Levels* – recruitment, partnership working with schools and employer engagement;
- *Devolution* – discussions with MCAs and College feedback to DfE;
- *Strengths, Opportunities and Challenges* last year and looking ahead;
- *Effective Practice* – discussion on any areas where practice is exemplary.

It was noted that last year, Governance formed a significant part of the Annual Strategic Conversation with the DfE; given the recent appointment of a new Chair and the urgent need to recruit new Governors. It is expected this will be discussed again. CT agreed to provide an update on the Strategic Conversation at the next Board meeting, including any matters arising.

CT invited questions from Governors.

The newly appointed Quality & Standards Committee Chair wanted to know if the Strategic Conversation was to highlight anything negative; are there any actions that the DfE can take?

In response CT reported that the philosophy of the FE Commissioner (Shelagh Legrave) is to be more supportive of colleges. CT identified that intervention is triggered outside of the Strategic Conversation meetings through specific triggers and was not an issue for Derwentside College.

- **Board Away Day** – The Away Day will include some external speakers, providing updates on the external environment, as well as focussing on the Strategic Plan going forward. The Search & Governance Committee will work on the agenda for the day over the coming weeks and months.
- **North-East Chamber of Commerce Dinner – 5th September at Wynyard Hall** - CT informed Governors that the College has agreed to take two tables of ten at the Annual North-East Chamber of Commerce summer dinner. This is a key business event of the year and will provide the opportunity to entertain some key employers as part of this; alongside networking with other businesses attending on the evening. The event will be hosted at Wynyard Hall with 500 leading businesspeople in attendance. The Chair, CT and SE will be in attendance, plus two other key members of staff and



there is scope for an additional Governor to attend alongside them. Governors were asked to notify CT directly if they would like to attend the event.

- **KPI's – Areas of concern were reported to be:**

- Finances – Cash balances were expected to be impacted adversely by the T-Level Capital Project. Non-pay pressures will be more acute this year.
- Funding – Apprenticeship new starts funding expected to be £154k below target, which may impact 2024-25 carry-in values. Adult Education Budget forecasted to be £59k below target.
- Quality of Education – Apprenticeship timely achievement is too low. Apprenticeship overdues are taking time to clear, with 5.6% of apprentices currently 365 days over their planned end date. These relate to Health & Social Care which has been an area of significant focus since our last Ofsted inspection. Attendance on full-time learning programmes has been impacted by the bus strikes in the Autumn. Attendance will be an item for the next Quality & Standards Committee meeting, as will overdue apprentices.

CT invited comments/questions from Board members.

CL asked the Executive Team what they thought had been the cause of the turbulence relating to Business Development. In response SE reported that one key member of the team was on long-term sick, and another has left the business to take up a position with another provider. The Assistant Principal - Business Development is now on maternity leave, during this period the day-to-day aspects of business will be dealt with by an experienced Senior Business Development Consultant, SE and the Assistant Principal – Adult Education will deal with strategic matters. It was noted that a Senior Business Development Consultant is scheduled to join the team in March. Staff appointed before Christmas are performing well. CT acknowledged that succession planning was required within business development. The Governor cited that she would like to learn more about Business Development and recruitment.

MT wanted to know what proportion of the College's income was generated directly by the Business Development team. In response, CT reported approximately 75%, noting the Business Development Team lead on Adult Education and Apprenticeships.

CL noted the Dashboard information provided with CT's report showed a maths & English achievement rate of 36.4%. They queried why this was not flagged as red. In response CT reported that this was due to the cohort size being very small.

Governors received the Principal and CEO report and:

- **Noted** the College's positive performance against the strategic plan KPIs and considered the key issues, risks and implications presented within the report;
- **Noted** the intention to bring a cash management report to the next meeting of the Board.

6. Curriculum Quality and Learning

6.1. Safeguarding

MJ introduced his report. The purpose of the report was to provide the Board with an update on Safeguarding activities within the College. The report provided a clear view of the College's compliance against key safeguarding requirements, the control arrangements in place and assurance that the legal and statutory duties of the Board are being discharged appropriately.

The Safeguarding Annual Report was presented to the Board at the meeting on 26th September 2023, however, feedback from Governors indicated a lack of assurance. Since the September Board meeting some key developments have been progressed to improve



reporting to the Board. A Safeguarding Board Assurance Framework has been developed to provide Governors with a clear understanding of their legal duties in relation to Safeguarding, a Safeguarding Performance Dashboard produced and an Action Plan, all were included in the meeting papers as appendices for perusal by Governors. The Board Assurance Framework demonstrates a very positive picture, Safeguarding at Derwentside College is effective, however, there are some areas for development.

- Online Safety Act - Under legal and regulatory changes and developments, the College needs to be mindful of the recently published Online Safety Act. The onus of this Act is very much on technology companies; the College has effective filtering software in place, so is well set up for this. It was noted there is a need to educate college learners regarding some of the changes to the law i.e. sharing images and cyber-flashing.
- Emergency Contacts - In addition to the Act, providers also need to hold two emergency contacts for young and vulnerable adult learners. At the moment, the dashboard shows 50% compliance for this, work will continue to ensure full compliance.
- Governor Training - The focus on Governor training will continue. Seven out of eleven Governors have completed the face-to-face Safeguarding training. The intention is for all Governors to receive this training moving forward. Governors are also required to read the relevant section of KCSiE - this is ongoing.
- Safer Recruitment - The Board Assurance Framework indicated a gap in the Safer Recruitment process. Eight out of twenty-six recruiting managers have not completed training, the remaining managers completed it sometime ago. New training will be rolled out to all concerned by the end of the year.
- Monitoring & Filtering – IT Monitoring and Filtering systems are now fit for purpose. The Safeguarding Committee will review the Filtering content to ensure the quality of education is not being affected by over-filtering. The Smoothwall Software (although now operational) needs to be fully rolled out with general awareness training to all other staff. The Designated Safeguarding Lead and Deputies have received their training regarding this.
- Safeguarding in Curriculum – This is primarily delivered via the Tutorial programme for full-time learners and is well planned; however, a recent Deep Dive indicated the need to improve course management and delivery to returning learners. This is a key area for improvement in the College Quality Improvement Plan and progress will be monitored closely via the Full-time Learning Programmes Forum and by the Quality & Standards Committee.
- Educational Visits - The process by which staff request an off-site excursion and visit for groups of learners has improved this academic year. Paperwork has been standardised to ensure all staff are using the same process; however, the formal policy relating to excursions and trips requires formal approval by the Senior Leadership Team.
- Prevent Duty – An action plan is in place and is also a standing agenda item at the Safeguarding Committee. Training has been rolled out to all staff and Governors; the completion rate is 87%, therefore focus and intervention is required here.

MJ paused and invited questions/comments from Governors.

The Chair acknowledged the Safeguarding Report is an important document for the Board and is much improved. He suggested that the assurance framework and report structure should be used as a template report in other key areas. **Governors agreed that this reporting format should be used in other key areas, to be determined by the Principal.**

KM wanted to know what mitigations were in place in the absence of the formal Educational Visits Policy. In response MJ reported that standardised forms and documents are in place. She also asked MJ how confident he is, that staff were following the procedure. MJ reported that he was very confident. Discussion ensued and flowed onto

the frequency for the presentation of the Safeguarding Report to the Board. **It was agreed that safeguarding reports will be presented once a term.**

CL referred to item 2.4 of the Action Plan (regarding Governor Training) and questioned whether the target date of September 2024 was rapid enough. MJ reported September 2024 was the target date for the Governor face-to-face Safeguarding training. He agreed to split this out from the requirement to read the KCSiE document which requires an earlier target completion date.

The Board received the Safeguarding Report and:

- **Noted** the key points arising from the report, including the Safeguarding Board Assurance Framework and Performance Dashboard;
- **Noted** the effectiveness of internal controls and the level of assurance provided in the report;
- **Approved** the Safeguarding Action Plan.

The Assistant Principal – Student Services left the meeting.

6.2. Adult Education Update

SE introduced her report. The purpose of the report was to provide the Board with an update on the progress being made towards meeting the Adult Education Contract targets in 2023-24. The report outlined the forthcoming plans in relation to recruitment prior to the Easter period; and also outlined expectations and predicted outturn for the remainder of the academic year.

- **Adult Allocations 2023-24** – SE referred Governors to the first table of her report (3.1.1). This table showed the contract values against the budget assumption approved by the Board at its July meeting last year, and the current forecast predictions for the full year. It was noted that an over delivery is being forecast against the budget on the DfE allocation for the College, and if achieved, together with the forecast position assumed for the College subcontract partner (Delta North), the position will be within the 3% tolerance outlined in the Adult Education Funding rules; and therefore the College will be paid the allocation in full at £1,600,904. It was noted, that from a management accounts perspective this is not being assumed.
- **Tees Valley Contract** – Progress is being made and £60k ahead of the position last year; the delivery pipeline is robust. It is anticipated the contract value will be met, and this will generate an additional £25k from budget.
- **North of Tyne Contract** - The prediction is that this budget will be met, however, the SE and her team will strive to exceed this. SE referred to the Income Analysis table in her report (also in section 3.1.1). This table showed that in all cases apart from North of Tyne, the position is positive at month 6. It was noted that the month 6 figures do include predicted achievement funding that will be generated in the months to come; however, it was noted, that not all of this will come to fruition, but does need to be accounted for within the month 6 analysis.
- **Recent Activity** – To provide further reassurance to Governors, SE provided a brief synopsis of some of the activity. In January; 5 sector-based work academies were delivered and a healthy learning classroom offer, generating £330k which is more than double than that generated in the same timeframe last January. A significant focus has been required with a wide range of partners across the region and most notably with Jobcentre Plus. SE reported that she is immensely proud of the Adult Education Team for the results delivered. Excellent job outcomes were noted for Cumbria, Northumberland, Tyne & Wear NHS Trust, with Serco (who run the local immigration



centre at Medomsley), they have also approached the College for a further Academy, and Aldi have asked the College to extend their reach and work with them in other geographical locations.

- Pipeline – A further eight academies are planned to the end of March, across all contracts, ranging from Teaching Assistant Academies to Retail. It was noted that 31 learners joined the Asda Stanley Academy on 26th February. The Academy provision will also be further complemented in March by new recruits joining the online learning provision and Engineering apprentices joining the Lean Manufacturing qualification. The implementation of the summer term programme is also being planned, which will commence Easter onwards with the aim of emulating similar success.

SE invited questions/comments from Governors.

KM wanted to know how the quality of teaching and learning was managed in relation to sub-contracting. In response SE referenced the 98% achievement rate (last year) for their subcontract partner Delta North. It was noted that a dedicated team monitors the quality of teaching & learning, supported by the Head of Quality & Standards. Strategic meetings take place every term with senior staff from the delivery partner, chaired by SE; the quality of teaching and learning is a standing agenda item at these meetings. The quality of sector-based work academies is monitored by the Assistant Principal – Adult Learning.

The Board received the Adult Education update report and:

- **Noted** the progress being made in January (month 6) towards meeting the overall forecast targets for Adult Education in 2023-24;
- **Noted** the delivery plans outlined for Term 2 to support the achievement of the College's forecast targets across the various adult education contracts in 2023-24.

7. Finance and Resources

7.1. Management Accounts – 2023-24

AH introduced his report. The purpose of the report was to present the monthly accounts to the Board highlighting any areas of concern and/or consideration. Highlights from the month 6 (01 August 2023 – 31 January 2024) management accounts were outlined as follows:

- Outturn - At the end of month 6 the College EBTIDA surplus was £148k (M5: deficit of £254k), against a budget surplus of £10k, this gave a positive variance of £138k (M5: negative variance of £314k).
- Income - At the end of month 6, the College total income was £4.842m. When compared to the budgeted position for this period of £4.840m, this gave an over-recovery and positive variance of £2k (M5: negative variance of £404k), this was due to the huge turnaround of Adult Education Budget delivery in January, resulting in an over-recovery in these income headings of £161k (M5: under-recovery of £331k).
- Staff Costs - Payroll costs to the end of month 6, gave the College a total spend of £3.011m (M5: £2.504m). When compared to the budgeted position for this period of £3.133m, this gave a net payroll variance underspend of £122k (M5: underspend of £109k). This variance reflected the savings being made from unfilled posts. Several of these roles have now been filled, but there are a few which haven't. The detail regarding this was provided in section 4.5 of the report. Through normal attrition and void periods, along with the additional funding from the ESFA for cost of living pay support which may not be spent in this financial year; a year-end projected underspend of £324k was included in the accounts.



- Non-pay expenditure - Non-pay costs to the end of month 6, gave the College a total spend of £1.856m (M5: £1.595m). When compared to the budgeted position for this period of £1.861m, this gave an underspend of £5k (M5: overspend of £27k). Key overspends were listed in the report for Governor's perusal.
- DfE 16-19 Classroom provision – There was a very positive start to the year, with significant growth in learner numbers. This is likely to generate around £300k in additional income, but this upturn will only be seen in 2024/25 due to the one-year lag funding of this income stream. This funding stream also includes the £158k allocated to the College by the DfE to support staff pay increases. This will continue for at least a further year. An update to the 2023/24 16-19 classroom provision and T-level funding has led to a small decrease of £6k in core funding for the year. This was factored into the year-end projections.
- Cash Flow - The College's cash balance at month 6 was £1.852m (M5: £2.044m). The cash flow forecast was updated for the 2023/24 financial year. Work has taken place to build a cash flow for the T-Level capital project, which formed part of the T-level reporting pack to the Board. This was factored into the cash flow; however, it was noted the contractor is preparing a revised cash flow, based on the final contract and final contract price, once received this will be updated in the main cash flow. The clawback (£622k) of last year's Adult Education Budget under delivery, is expected to take place in January, February, and March 2024, which was included in the cash flow.
- Cash Planning - A detailed review of cash planning is underway, and a report will be prepared for the Board in March 2024. The level of investment and interest generated will be significantly impacted on the capital investment required by the College for the T-level capital project. Notice has already been given to the College's bankers to transfer funds from its high interest deposit account and into the main bank account to support normal business activities.
- Apprenticeships - Apprenticeship income started positively in the year, with new starts performing well against profile, however these slowed down at the start January, now £90k below the target. (M5: break-even) and carry-in apprenticeships are now £4k below target (M5: break-even). Collectively apprenticeship performance is very likely to over perform against target at year-end and this has been factored into the year-end projections, giving an over-recovery of £95k. This position will be continually reviewed throughout the year and projections updated.
- Financial Health - The College's financial health grade continues to demonstrate 'GOOD' financial health. The performance ratio and current ratio have been updated; with the financial health score identified as 190 points. The projected outturn and inclusion of the T-level project will impact on the College's overall cash balance, and therefore the health score is likely to drop to the bottom end of the grading, but still achieve a rating of 'GOOD'.

AH invited comments/questions.

MT sought clarity regarding the level of volatility in income and wanted to know if this was reasonable. In response, AH referred to the lagged funding for 16-19 classroom provision, whilst there may be volatility with the market at present, he reported that he is not alarmed by this. SE referred to a local employer who is reducing their workforce and cited the College may benefit from this. SE also reported that during month 4 and 5 a lot of employers changed their plans before Christmas, it was noted that when provision is demand led some volatility will be experienced, however, this will be monitored closely.

MT also wanted clarity regarding timing and overspend risks relating to the T-Level project. He wanted to know what the College has done to transfer the risk onto the Contractor. In response, AH reported that a JCT contract is in place. It was noted that it is not possible to



fully mitigate risks, or to pass these on to the contractor. There are some ground risks associated with the project and testing will take place to identify and mitigate accordingly.

CB asked a question regarding section 4.6 of the report. In response CT reminded Governors that College staff were awarded a pay award on 1st August 2023, the Real Living Wage was implemented in April 2023 and retention allowances increased in areas where recruitment challenges were evident. If the College performs well, CT will provide a proposal to the Board regarding a non-consolidated pay award for staff to take effect this year however, given the financial challenges faced the decision would need to be delayed.

The Board received the Management Accounts (month 6) report and noted the points/areas of concern highlighted.

7.2. T-Level Capital Project Report

AH introduced his report. The purpose of the report was to update the Board on the appointment of the preferred contractor, value engineering exercise and contract signing for the College's T-Level Capital Project. The report also sought approval for the setting up of a contingency fund, amounting to 5% of the gross project cost.

The T-Level Capital Project involves the refurbishment of vocational facilities in Health & Social Care, Childcare, Digital and Engineering and the installation of a mezzanine floor above the College's fabrication and welding workshop to create increased electrical engineering space.

The value engineering exercises have been carried out and achieved the required savings bringing the gross contract sum to £1,413,109 and the overall project cost to £1,665,461, funded by the DfE (£1,179,170) and the College (£486,291). The JCT 2016 contract with Meldrum Construction Services Limited was signed by CT on 30 January 2024, after receiving approval to do so by the Chair.

The final contract, signed by all parties was not available for circulation, therefore the draft contract was included in appendix 2 for Governor's perusal.

AH requested approval to establish a 5% contingency fund (£82,273) to cover unforeseen costs during the mobilisation and construction period, submitted via contractual change orders / variations. This will reduce delays in the change order process and negate the need to come back to the Board for subsequent spending approvals. All change orders will be reported to the Board along with updates on project expenditure and cash flows during the regular reporting cycles.

AH invited questions/comments.

MT wanted to know if a 5% contingency fund was enough. CT provided assurance that it was however, if it is not, this would be a matter for Board approval. Discussion ensued. KM wanted to know how the building works will impact learners i.e. noise and the disruption to classroom capacity. In response CT reported that there is a plan in place; works that cause most disruption, are scheduled to take place during the holidays, there is also flexibility to move learners to other parts of the building where needed.

The Chair informed the Executive Team of the expectations of the Board to receive regular updates throughout the duration of the T-Level Capital project.

The Board received the T-Level Capital Project report and:

- **Endorsed** the actions of the Corporation Chair in approving the T-Level Capital Contract in accordance with the delegated authority given at the December meeting.
- **Noted** that the Value Engineering exercise achieved the agreed savings of £250,000, bringing the total project cost to £1,665,461;



- **Noted** that the contract was signed by the Principal, following approval by the Chair on 30th January 2024. The contract between the College and Meldrum Construction Services Ltd is for the total contract sum of £1,177,591 + VAT (£1,413,109).
- **Approved** the establishment of a contingency fund to cover unforeseen change orders through the contract mobilisation and construction period. A gross contingency of 5% of the total project cost (£1,665,461) amounting to £82,273.

7.3. Human Resources Report

RH introduced her report. The purpose of the report was to update the Board on Human Resource KPIs, statistics and performance for the first term (for this purpose August – November) in addition to the year to date (up to 31 January 2024) of the Academic Year 2023-24.

- **Recruitment and Retention** – Despite the reported difficulties in the recruitment market, appointments have been made to several key vacancies this term. In the main these were direct replacements, but importantly in notoriously challenging areas of teaching such as Construction, Engineering, Digital and Clinical Healthcare Apprenticeships.
- **Employee Relations and Pay** – The College continued to receive a small number of Flexible Working Requests; these were dealt with in line with the statutory guidance on Flexible Working ensuring best practice and the law was followed at all times. It was noted the rights around flexible working will be changing in April 2024 and work is underway to update the policy and practice in this area, to remain in line with the legislation.
- **Recruitment** - Recruitment activity continued to be very busy to date this year, largely due to the continuation of higher than usual turnover, some new posts (namely in Business Development, linked to growth in Apprenticeships, Adult Education and T-level delivery) and sometimes having to repeatedly advertise a post before appointing a suitable candidate. Recruitment of a number of part-time candidates has taken place in order to fill previously hard to fill roles, for example Training Consultants in Clinical Healthcare.
- **Sickness Absence** - Short term sickness in Term 1 has improved on the same period last year (2.77% compared to 4.14% for the same period last year) but an increase in December and January are likely to increase the annual figures. Once again, there have been a lot of respiratory illnesses (coughs, colds, flu) that have hit people hard this year. It is rare in college, but where action is deemed necessary, because of unacceptable levels of short-term absence, managers are supported to address the concerns with staff and provide support where required in line with the Absence Management policy.
- **Real Living Wage** - The Living Wage Foundation announced an increase to the real living wage from to £10.90 per hour to £12 per hour in October 2023; to be implemented by 1st May 2024 (in order to maintain living wage foundation accreditation). The intention is to implement this increase with effect 1st April 2024, as in previous years.
- **Staff Appraisal** - A new electronic appraisal system was launched in August 2023, which requires staff to self-assess their performance (performance against the job description, previously set objectives, leadership principles (where relevant) and alignment against the college values). Appraisals for all appropriate staff have been completed, the corresponding scores were provided in Appendix 1 of the Human Resources report. A review of the appraisal system and its application has been completed; and recommendations are now being implemented. These mainly relate



to comprehensive manager training and staff guidance to ensure clarity and consistency, system and timescale amendments and the identification of standard KPI's and reporting.

- **Organisational Change** - Two situations arose where it was required to make savings in the form of a headcount reduction. One in Access to Higher Education due to a reduction in the number and retention of learners, and a voluntary redundancy was accepted and took effect 31st December 2023. Another was in the Health and Social Care Apprenticeships team where, following a downturn in the number of new starts in this area, and following a period of consultation and selection process, four employees were made compulsorily redundant with effect 5th September 2023 (1 in Yorkshire and Humber, 1 in the Midlands and 2 in the North East).

RH invited questions/comments from Governors.

KM asked a question regarding the Real Living Wage increase. She wanted to know how the Real Living Wage will affect the pay scale above. In response RH reported that because of the work done previously, the impact was not significant.

KM also asked a question regarding employee interventions. She wanted assurance that the data provided in the HR report was an accurate picture. In response RH informed Governors that some managers are working with a small number of staff on an informal basis. The outcome of the recent appraisal cycle provides assurance that staff are performing well more generally.

The Board received the Human Resources Report and reviewed and considered the key points and risks arising from the report.

7.4. Equality, Diversity & Inclusion Report

RH introduced her annual report. The purpose of the report was to provide the Board with assurance that the College continues to meet its obligations and statutory responsibilities regarding Equality, Diversity and Inclusion (EDI).

There has been little change in the legislation surrounding EDI in recent years, with the main applicable regulation being the Equality Act 2010. This act places a general duty on public sector organisations (which includes further education colleges) to demonstrate compliance with the Public Sector Equality Duty (PSED), to have due regard in our activities to:

- Eliminate unlawful discrimination, harassment and victimisation and any other unlawful conduct prohibited by the Act;
- Advance equality of opportunity between people who share and people who do not share a relevant protected characteristic;
- Foster good relations between people who share and people who do not share a relevant protected characteristic.

This is taken into consideration in all of the work of the Equality, Diversity & Inclusion Committee (EDI) and its subgroups and is demonstrated through the Equal Opportunities and Fair Treatment Policy, the Committee's action plans and in the Equality, Diversity & Inclusion Annual Report.

RH reported because the College is an employer of 150 to 249 employees it is also obliged to comply with the following:

- Publish one or more equality objectives at least every four years;
- Publish information on general duty compliance with regard to people affected by our policies and practices every year;



- Publish information on general duty compliance with regard to our employees every year.

RH moved into the main body of her report.

- *Policy and Procedure* - The Equal Opportunities and Fair Treatment Policy provides a framework for challenging prejudice, eliminating discrimination, advancing equality of opportunity and fostering good relations between people from a variety of backgrounds. The Equal Opportunities and Fair Treatment Policy was a policy for approval later in the proceedings.
- *Equality Objectives* - The EDI Committee reviews its Terms of Reference annually and this included a set of agreed objectives, which informs the work of the committee and its subgroups. The Terms of Reference were provided with the meeting papers for Governor's perusal.
- *Monitoring EDI data across the workforce* - The statistics relating to staff (available in the appendices of the report) identified no major areas of concern. The College data set is small and thus, differences in categories may appear significant when they are not, however the main areas requiring action are:
 - to review the EDI monitoring data provided by staff and held by HR to ensure it remains reflective of their status. This may lead to an increase in staff declaring a protected characteristic, such as a disability, where they have perhaps not in the past or their status has changed and may bring the workforce more in line with the working population;
 - to ensure action is taken to encourage applications from individuals which will lead to us having a workforce that better represents our learners;
 - to review the composition of the Board from an EDI perspective and to ensure this reflects the profile of the communities it serves.
- *Monitoring EDI across the student body* - Learner achievement rates show there are very few areas where significant issues exist. In the majority of cases, where achievement gaps exist between the various protected characteristics, this is largely due to sectoral anomalies. For example, although this achievement gap is reducing, there remains a significant difference between achievement rates of females and males (around 10% higher for males) in apprenticeships, which can largely be attributed to lower achievement rates in the care sector (female dominated).

The Board received the Equality, Diversity and Inclusion Annual Report and:

- **Reviewed and considered** the key points arising from the report and the level of assurance provided.

8. Policies for Approval

Following the two-week policy review window and feedback from governors on the policies presented, governors approved the following policies:

- Freedom of Information Policy
- Equality Opportunities and Fair Treatment Policy
- Disciplinary Procedure
- Grievance Policy
- Redundancy Policy



9. Any Other Items of Urgent Business

9.1. Reflections on the meeting

The Chair invited reflections and comments from governors regarding the effectiveness of the meeting. Governors noted that:

- The level of scrutiny, challenge and support had increased significantly and all governors were now contributing in meetings.
- The quality of reports was improving and the addition of assurance frameworks represented a step in the right direction.

9.2. No other items of urgent business were noted.

The meeting ended at 7.45 pm.

A handwritten signature in black ink, appearing to be 'J. H. H. H.', located at the bottom right of the page.

Board Meetings

Actions Arising

Date of Meeting: 27th February 2024

Minute Ref	Action	Responsible Officer	Status & Deadline
3.6	<u>Governor Recruitment</u> Sarah Jones will be invited to join the shortlisting meeting and selection panel for the appointment of new governors.	Principal	<u>Implemented</u> 28 February 2024
4.3	<u>Quality Strategy</u> Carole Loader to provide the College with some examples of effective quality strategies.	Deputy Principal / Head of Quality and Standards	<u>Ongoing</u> End of March 2024
5.1	<u>Cash Management Report</u> A cash management report will be presented at the next Board meeting, providing assurance on cash flows and longer-term cash planning.	Interim VP - Finance	<u>Ongoing</u> 26 March 2024
	<u>NECC Dinner</u> Governors should notify the Principal, or Head of Governance if they are interested in attending the North East Chamber of Commerce Dinner.	Governors	<u>Ongoing</u> End of March 2024
6.1	<u>Safeguarding Report Frequency</u> Safeguarding Reports will be presented on a termly basis to the Board in future. This will be included within the Board Business Cycle for next year.	Head of Governance	<u>Implemented</u> 30 February 2024
	<u>Governor Safeguarding Training</u> The Safeguarding Action Plan deadline dates will be amended to bring forward Governor Training deadlines.	AP – Student Services	<u>Implemented</u> 28 February 2024
7.2	<u>T-Level Capital Programme Reports</u> Regular reports will be provided to the Board by the Interim Vice Principal – Finance on progress made towards the implementation of the College's T-Level capital programme.	Interim VP - Finance	<u>Ongoing</u> March to September 2024

Date of Meeting: 26 September 2023

Minute Ref	Action	Responsible Officer	Status & Deadline
5.1	<u>Financial Planning</u> Formulate a longer-term financial plan from 2024-25 onwards (three years up to the end of July 2027) that is aligned to the strategic plan.	Interim VP - Finance	<u>Ongoing</u> 21 st May 2024 Board meeting
7.3	<u>Risk Management Policy</u> Develop a new risk management policy and approach to the management of risk at the College.	Interim VP - Finance	<u>Ongoing</u> End of July 2024



8.1	<u>Future Policy Review</u> Implement track changes for future policy reviews, allowing Governors to see the key changes being made.	Principal and Head of Governance	<u>Ongoing</u>
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Date of Meeting: 11 July 2023

Minute Ref	Action	Responsible Officer	Status & Deadline
5.2	<u>Board Away Day</u> The financial performance and profitability of the curriculum will be an item for the next Board Away Day.	Principal / Chair	<u>Ongoing</u> 11 th June 2024

Date of meeting: 19 July 2022

Minute Ref	Action	Responsible Officer	Status & Deadline
3.3	<u>Governor Update Workshops</u> Pilot a scheme of workshops to be held before the beginning of each Board meeting covering topical issues.	Principal / Chair	<u>Implemented</u> This has now been rolled out with the first session delivered in February 2024.

