

**MINUTES OF A MEETING OF THE CORPORATION BOARD
HELD IN THE BOARD ROOM ON
TUESDAY 9th JULY 2024 AT 5.30 PM**

| Governors | Type | Initials | Attendance | Apologies |
|------------------|---------------------|----------|------------|-----------|
| David Allsop | Independent (Chair) | DA | X | - |
| Chris Todd | Principal and CEO | CT | - | 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 | - |
| David McHugh | Independent | DM | X | - |
| Stuart Corbridge | Independent | SC | X | - |
| Simon Howard | Independent | SH | X | - |
| Andrew Hayday | Independent | AH | X | - |
| Helen Brennan | Staff Governor | HB | X | - |
| Nicola Dixon | Staff Governor | ND | X | - |

| Attendees | Type | Initials | Attendance | Apologies |
|-----------------|--|----------|------------|-----------|
| Susan Errington | Deputy Principal | SE | X | - |
| Rachel Holmes | Director of HR | RH | X | - |
| Tina Hannant | Vice Principal – Finance & Resources | TH | - | X |
| Deborah Minns | Interim Head of Finance | DM | X | - |
| Michael Johnson | Assistant Principal – Student Services | MJ | X | - |

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

1. Welcome, Apologies for Absence and Declarations of Interest

- 1.1. The Chair welcomed everyone to the last Board meeting of the academic year. A warm welcome was extended to Simon Howard who returned to the Board following an agreed sabbatical period, and to Andrew Hayday in attendance as a prospective Governor. A welcome was extended to Michael Johnson and Deborah Minns in attendance to present their reports at agenda items 5.3, 6.1 and 6.2.
- 1.2. Apologies were received from CT and CL. **The Board agreed that the meeting was quorate.**
- 1.3. SE and EG declared an interest relating to items 3.2a and b (Senior Postholder Remuneration), therefore the Board agreed this agenda item would be taken at the end of the meeting; and SE and EG would leave the proceedings for this item, and it would be minuted separately.

2. Appointment of Governors

- 2.1. The Chair reported that at the Search & Governance Committee meeting on Monday 20th May 2024 the Committee agreed to recommend the appointment of Mr Andrew Hayday to the Board for approval at the meeting on 9th July 2024

The Board approved the appointment of Mr Andrew Hayday to the Corporation Board.

3. Minutes of Previous Meetings and Matters Arising

3.1. Minutes – Corporation

Governors **reviewed** the minutes of the meeting held on the 21st May 2024. **The minutes were approved.**

Matters arising –

Ms McDermott – DA reported that as agreed by the Board at the meeting on 21 May 2024, he wrote to VM on 22nd May 2024 to notify her of the Board decision to remove her from her Governor role on the basis that she was ‘unable to discharge the functions of a member’. To date no response has been received from VM regarding the letter.

Resignation – DA informed Governors that on 24th June 2024 he accepted the resignation of Lesley Sewell. During her tenure Lesley made a valuable contribution to the Board. Her resignation impacted the Audit & Risk Committee; MT was asked and agreed to, step into the role of Audit & Risk Committee Chair on an interim basis.

Student Governor – As recommended by the Search & Governance Committee, the Student Governor roles will be advertised, to recruit two suitable candidates in the first term of the new academic year.

MP Visit – Due to the prorogation of Parliament, the MP visit did not go ahead. Governors noted that SE has contacted the North-East Mayor (Kim McGuinness) and has also written to Liz Twist MP.

3.2. Minutes – Remuneration Committee

This item was taken at the end of the meeting. SE and EG were not in attendance.

The Board **received** the minutes of the meeting held on the 20th May 2024 and The Chair reported that two meetings of the Committee had taken place, however, due to the timing of meeting, the minutes from 28th June 2024 were not available to be reviewed at Corporation Board. DA invited the Interim Chair of Remuneration Committee, Guy Brown, to provide an update to the Board following both meetings.

[Redacted – confidential minute].

3.3. Minutes – Search & Governance Committee

Governors **received** the minutes of the Search & Governance Committee meetings held on Monday 20th May 2024 and Monday 24th June 2024.

Following the recommendations by the Search & Governance Committee, Governors **received and approved** the following documents:

- Board Assurance Framework and supporting Action Plan
- Business Cycle 2024-25



- to establish a Finance & Resources Committee in the Business Cycle for 2024-25
- the Finance & Resources Committee Terms of Reference.

Following the recommendations by the Search & Governance Committee, Governors **received and approved** the following Governing Documents:

- Instrument & Articles of Government
- Standing Orders
- Scheme of Delegation

3.4. **Minutes – Audit & Risk Committee**

The Interim Audit & Risk Committee Chair informed Governors the Audit & Risk Committee meeting held on Tuesday 25th June 2024 was a positive meeting.

Governors **received the minutes of the Audit & Risk Committee dated 24th June 2024.**

3.5. **Strategy, Direction and Values**

Due to the absence of CT, his report was presented by SE. The purpose of this report was to provide the Board with an update on the key actions arising from the recent strategic away day. The report outlined the recommended updates to the Strategic Plan and the proposed Governor Values and Behaviours for approval.

Strategic Plan - SE reported that following on from the Strategy Away Day and the valuable comments made by Governors, CT took the opportunity to update the College's existing Strategic Plan which extends to the end of 2026. Our previous priorities centered around Governance, Quality, Curriculum, People, Community and Resources. The updated strategic priorities are around three key themes:

- Leadership and Governance
- Curriculum and Quality (grouped together)
- Engagement

(the updated Strategic Plan was included in the meeting papers at item 3.5a) for Governor perusal. Each priority has a clear aim; what we are doing well and what we plan to do to guide us on the journey towards Outstanding.

Concurrently, CT collaborated with the Remuneration Committee to refine the College's key performance indicators (KPIs) and targets. These have been updated within the revised Strategic Plan, with targets set through to the end of the 2025-26 academic year.

SE paused and invited questions/comments from Governors.

Learner Satisfaction - KM referred to the performance measures in the updated Strategic Plan and noted the 2023-24 target was 96% and the 2024-25 target is 94%, moving to a 95% target in 2025-26, she wanted to know the reason behind this. SE agreed to put this question to CT and respond to KM.

Quality of Apprenticeships - KM referred to the Quality of Apprenticeships KPIs and learners past their planned end date and queried the <13% figure; she wanted assurance that this was not contradictory to the Apprenticeship Accountability Framework. In response, SE reported the Accountability Framework measure is providers are in the 'At Risk' category if >15% of apprentices are 180 days or more past their planned end date.



Action Plan - SH wanted to know if there was an action plan to support the KPIs. In response, SE reported the KPIs will become the objectives for the Senior Team.

Business Plan - DA informed Governors that CT will develop a Business Plan document to support the Strategic Plan. The Business Plan document will set out how the aspirations will be implemented.

AH wanted to know if the intention was to split the Business Plan by Committee. In response SE reported she thought that was the intention, and CT will provide regular reports to the Board during the year.

Staff Culture Targets - MT noted the Staff and Culture targets were in the upper quartile, he wanted to know if the quartile data was relative to other FE Colleges. DA confirmed that it was.

Governor Values and Behaviours – It was noted the College has a defined set of values/behaviours for what is expected from all staff and learners. At the Senior Leadership Team meeting in late June, the team devised a set of expectations for college leaders. Based on Governor comments and feedback from the Strategy Day, CT has collated a set of expectations for Governors under the defined Values – and the goal is to create a combined booklet which will cover the expected behaviours for the four different groups (Governors, Leaders, Staff and Students).

SE paused and invited questions/comments.

DA acknowledged the cohesive document was an accurate reflection of the away day session.

KM cited the final bullet for the value Respect – *Governors will recognise that challenge must, at times be robust, and provide support in equal measure*”, and queried the wording for this value. In her view Governors should be robust on all occasions.

Governors received the Strategy, Direction and Values report and:

- **Approved** the updated Strategic Plan subject to the amendments outlined above being made.
- **Approved** the proposed Governor Values and Behaviours subject to the Principal considering the feedback provided.

4. Strategy & Direction

4.1. Principal & CEO Report

SE introduced the Principal & CEO report. The purpose of the report was to provide the Board with a clear view on the position of the College on the journey to achieving the strategic priorities. The report highlighted positives and areas of development against the strategic priorities and performance indicators including risks. SE highlighted a few key themes from the report as follows:

Positives

- *Governance* – SE reported an excellent year from a governance perspective, with success evident, in a number of key areas. The recruitment of new governors was a particular highlight, alongside the introduction of assurance frameworks. The updated



Committee structure and appointments to key roles stands us in good stead for the year ahead.

- *Curriculum and Quality* – Well received engagement sessions have taken place over the last few weeks, focusing on the Area for Education Programmes for Young People, to clearly set out our expectations for the year ahead. From a recruitment perspective, we are ending the year strongly with apprenticeship starts, and the delivery of our Adult Education contracts. Applications to Education Programmes for Young People are also significantly up on last year. In terms of apprenticeship achievement, we've now met our strategic target at over 60%, and apprentice overdues in Care are reducing and will continue to do so post-end of July, following a large number of learners taking EPA this month.
- *Engagement* – SE reported there has been a lot of work at Executive Team Level and at operational level to prepare for devolution and our contract with the North-East Combined Authority from August. SE informed Governors that she has invited the new North-East Mayor to open our new T-Level Centre from September onwards. SE reported that she has sent a congratulations message to our new MP, Liz Twist and to welcome her to the College early next term.

Less Positive

- *Collective Grievance* – SE informed Governors that a collective grievance has been received from eight staff members in receipt of the Real Living Wage. It was noted that RH will provide further detail later in the meeting at agenda item 6.3.

Questions/comments were invited.

AI - SC referred to paragraph 3.2 of the Principal's report (the roll-out of the Teachermatic software). He cited a report released on 26th June 2024; related to a study conducted by the University of Reading it showed that experienced exam markers failed to spot the fake essays generated using AI and the essays achieved a high 2:1 grade. SC was interested to know what the College was doing in relation to this fast changing and developing arena.

SE thanked SC for his question and invited HB (the Head of Quality & Standards) to comment. HB reported the College utilise Turn-it-In software and also rely on the staff knowledge of their learners. HB informed SC that she is currently writing an AI policy in line with JCQ guidelines. Teachermatic is a software tool that is available to guide and support staff, it gives the basis of the topic. DA wanted to know if Governors would receive a report regarding the impact of Teachermatic. It was agreed this would be via the Quality & Standards Committee. GB welcomed this.

Risks & Implications - KM noted that in the Risks and Implications section of the report, each time Governors see new risks she wanted to know if the mitigation and controls could be rolled forward so they are not forgotten.

Apprenticeships - In relation to the data dashboard (Apprenticeships), KM asked SE if she was confident that the forecast target of 980 would be achieved. In response, SE reported June was particularly strong, and July is performing well; there are enrolments waiting for approval via the Levy system and once approval has been obtained they will be processed accordingly.

Overdues - KM noted that Governors were given assurances that the Apprentice overdues would reduce; she asked SE what action has been taken to address this. In response SE



reported there are a number of 'historic' apprentices at EPA, and there are approximately 50 learners that will be carried into next year. Progress will continue to reduce the number of overdues, and SE acknowledged that progress is being made and will continue, however, it has taken more time than originally anticipated.

Destinations – KM noted there to be no data recorded in the Dashboard regarding positive destinations for last year or this year; she wanted to know what the plan was to obtain the actual, intended and sustained, destination data. In response SE reported the Director of Information Services is leading on this, and she recognised that this is an area for improvement and acknowledged that KM was right to point it out.

Contribution to local skills needs - GB noted the progress judgement was 'Reasonable' and it was categorised green. He wanted to know why it was not amber. In response SE reported the judgement was based on the sector benchmark and that 67% of FE providers were in this category which is considered 'good'.

Governors **received** and the Principal and CEO report and:

- **noted** the College's performance against the strategic plan KPIs and considered the key issues, risks and implications presented within the report.

5. **Curriculum Quality & Learning**

5.1. **Annual Curriculum Plan 2024-25**

SE introduced her report. The purpose of the report was to update the Board on the Annual Curriculum Plan for 2024-25. The report provided information on our recent review of apprenticeships; alongside outline plans to achieve the adult education contracts. It also detailed the full-time programmes we intend to deliver, as well as the proposed plans for subcontracting.

SE referred to Appendix 1 of her report (Curriculum Plan commentary) section 2. The Curriculum Planning Procedure has been updated and this is available for Governors in the SharePoint folder. Currently, the Teams are at the beginning of the process for the development of the 2025-26 Curriculum Plan (the research phase).

Apprenticeships – SE referred Governors to section 3 of her report. Through the work of the Apprenticeship Forum over the last few years, a progressive review of the Standards offered has taken place, to ensure they remain in-line with demand and to position the College to deliver high-volume and outstanding quality. In the most recent round of Curriculum Planning, the opportunity was taken to remove a further five Apprenticeship Standards for 24-25; these Standards only had a total of 13 apprentices between them, and with some not contributing effectively to achievement.

SE referred Governors to paragraph 3.4 of the report and stated that two of our Standards will receive a funding uplift. Firstly, the Early Years Educator Standard has increased from £6,000 to £7,000, and currently there are 107 apprentices on this Standard; and this is definitely an area of growth. Additionally, the Engineering Operative Standard has also received a sizeable funding uplift from £6,000 to £10,000.

In terms of forecasting, SE reported predicted growth of around 10% across all Apprenticeship Standards in 24-25. A monthly area starts position has been profiled which links to the financial forecast predictions for next year. After a turbulent year within Business Development, SE informed Governors that she is extremely confident that we now have the Team to do this.



SE paused and invited questions/comments – none were raised.

Adult Education – SE referred to section 4 of the report and stated that Adult Education has taken a significant hit in the last few years; following the pandemic, but the team have worked exceptionally hard, and as Governors were briefed in February, we expect to deliver our £1.6million DfE contract allocation, as well as delivering our contract, in full, in the Tees Valley (of £406K), and meeting our forecast for North of Tyne

Governors were reminded that Adult Education becomes devolved across the North-East from August. SE reported an increased allocation; and this presents a great opportunity to build on the success this year. The curriculum plans with the new North-East Combined Authority centre around 4 aspects of provision - Sector Based Work Academies, Employer Upskilling, Online Flexible Learning and Classroom and Community Learning, with the biggest area of growth in Academies. The range of blended learning programmes has been expanded to support our Employer Upskilling and Online Flexible Learning models. The roll-out of our traditional classroom provision will continue in September and from January 2025.

Moving on to the Tees Valley, this year, five successful, high volume recruitment academies were delivered for some very recognisable retail chains with plans to build on this and deliver seven academies next year. In addition to this, employer upskilling provision and some online learning will be delivered.

SE reminded Governors that last year, she briefed the Board on the declining numbers on our Access to Higher Education programme; and the planned changes i.e. to include more flexible delivery, whilst creating a range of new pathways. The programme was relaunched taking it from 3½ to 2 days, with a range of new pathways. However as anticipated, the recovery required has not been swift. Therefore, the recommendation at this stage, is a continuation of a reduced programme in-line with last year; but with a planned review early next year.

SE paused and invited comments/questions from Governors.

AH wanted to know how the financial plan, budget and delivery would be linked together. In response, SE reported that working with the Assistant Principal – Adult Education, she looked at the profiling from NEMCA and profiled the anticipated delivery from August; the delivery could not start earlier due to staff capacity.

AH wanted to know the likelihood of being able to bid for growth from the devolved areas. In response SE reported the TVCA bid was submitted for £450k, the outcome decision is expected on 19th July. SE reported this is not included in the budget. NECA is a new organisation, profiling is at the half-year point and SE acknowledged the importance of getting off to a great start with a mix and balance of the provision.

SC asked a question regarding Higher Education. He cited that New College Durham have 1,000 students and East Durham College have moved to land-based degrees, he wanted to know if this was something that Derwentside College had considered. SE acknowledged that this is an area that the Executive Team would like to explore for the next strategy period; within the areas of our expertise.

Education Programmes for Young People – SE moved to section 5 of her report. There has been much success here in terms of growth in the last year, whilst our overall achievement rate remains well above the national average. The key to this is the continued hard work with local schools and all programme areas have seen good levels of interest at Open

Events during the year. The programme offer also fits extremely well with local and national skills priorities, and currently applications are at 419 compared to 290 at the same point last year, which provides further evidence local need is being met.

Regarding Level 3 provision, the implementation of T-Levels continues, as we plan to roll out four additional T-Level routeways from September, in addition to the Childcare & Education route that we rolled out last year. Again, there is good levels of interest across the provision overall, with Childcare taking off as part of the second-year roll-out. However, whilst the T-Level in Electrical Installation has attracted good numbers, the Engineering Design T-Level has not. There are more applications than previous years at Level 2 in Engineering, this will be carefully monitored following enrolment.

SE paused and invited comments/questions from Governors.

AH wanted to know if the increase in applications was for a particular area. SE reported that it was across all areas of provision. The increase in applications is from learners of the local schools. SE also reported that a robust progression panel process has taken place for current College learners seeking to return next year; there is a good progression rate from the vocational areas. At this point SE invited MJ to contribute to the discussion.

MJ informed Governors that Foundation Learning is his remit, and for September this area will increase from having three groups to four groups.

DA wanted to know if this would cause any pressure on the Estate. SE stated that in September, there will be 70 Year 10 learners coming to College (29 in Hair & Beauty and 41 in Construction). Next year there could be a pressure point if they all progress and if we also have Year 10 groups next year. SE also reported some Year 10 learners were turned down for Beauty due to being at full capacity.

DA reported that he is aware that TH is doing some work on the Estates Strategy; and noted that lead-in time will be required to facilitate that.

[Redacted – commercially sensitive].

Governors **received** Annual Curriculum Plan for 2024-25 and:

- **approved** the proposed Apprenticeship offer of 34 Standards to commence from the 2024-25 year,
- **approved** the proposed outline delivery plans across the Adult Education contracts,
- **approved** the continuation of the current Full-Time programme provision in the areas identified.

5.2. **Employer Survey**

SE introduced her report. The purpose of the report was to provide the Board with an update on the results of the College's first Employer Survey post-pandemic, which took place during November 2023. The report provided an overview of the key findings that were established from the survey.

The Employer Survey was launched in November 2023 to understand employer feedback on the College's apprenticeship provision; employer feedback is monitored externally via the Apprenticeship Digital Account. The Employer Survey launched on 14 November with a quick turnaround window of 30 November (to avoid the Christmas period).

The survey focussed entirely on our apprenticeship provision; to enable a clear focus on the questions, these were checked with a number of external sources prior to the launch and

they confirmed the questions were parallel to those seen in other similar survey types. 407 employers received the survey, 67 responses were received (16.5%).

Overall, the College scored very well in all areas of the Employer Survey with 9 out of 10 questions receiving a positive response rate of over 90%.

SE invited questions/comments from Governors.

DM wanted to know whether any employers responded negatively to the survey. SE reported in some cases they did and some comments related to a change of Training Consultant; the Training Consultant involved has now left the business. There were no emerging themes. Going forward the plan is to obtain more employer responses. SE also reported the College is one of six in the region rated as excellent by employers.

CB asked if there was anything that could be done to incentivise responses. SE reminded Governors that this year has been a particularly turbulent year within Business Development. However, going forward, reminding employers to complete the survey could be an item during employer visits. SE recognised it will take a lot of work to improve the survey response rate.

MT agreed the response rate was disappointing, he wanted to know what the normal response rate was for this type of survey. SE informed him going forward, the aim is to achieve 25% with a minimum of 20%.

SH suggested trying a different approach next time as from his experience, mailshots don't work; the emails are either not read or are deleted. SE stated that she is hopeful the response rate can be improved.

Governors **received** the findings of the employer survey and considered the areas for improvement and **noted** the actions identified to increase response rates moving forward.

5.3. **Safeguarding**

MJ introduced his report. The purpose of the report was to provide the Board with an update on progress relating to the Safeguarding Action Plan which was presented to the Board in February 2024. The report provided a clear view of the College's improvement in compliance against key safeguarding requirements and measures.

The Board Assurance Framework (BAF) for Safeguarding was presented to the Board in February 2024. This document provides Governors with a clear understanding of their legal duties in relation to Safeguarding. A Safeguarding Performance Dashboard, linked to the requirements set out within the BAF, was also introduced and performance against the BAF and KPIs set out in the Dashboard form the basis of the Safeguarding BAF Action Plan. These documents were included in the appendices of the report for Governor's perusal.

Legal and Regulatory Duties - MJ reminded Governors of the requirement, outlined in KCSiE (2023) for two emergency contact numbers to be obtained for young and vulnerable learners. In February, compliance towards this was 45.6%; following work with curriculum teams, this now stands at 85.8% and collection of this information will be a key priority at enrolment.

IT Systems – Filtering and Monitoring – The Smoothwall Filtering & Monitoring software is fully implemented and since February 2024, 12 learner alerts identified. The swift nature of the identification process ensured that these incidents were dealt with quickly and effectively by the Safeguarding Team. A thorough review of the learner 'blocked filtering'

content took place in May. Although the review did not identify significant issues; as a result of the process, nine specific web addresses and certain general search criteria have been unblocked, and this will be a regular agenda item for the Safeguarding Committee.

Safeguarding in the Curriculum – Planning is now well underway for a complete re-branding of our Tutorial programme for 2024-25 this will include the introduction of three new themes ‘Me, myself and I, ‘Current Affairs’ and ‘That’s Life’. This will allow Safeguarding topics to be effectively threaded into these key themes. Delivery will be much more activity-based, including small projects and augmented by inspirational guest speakers.

Future Focus – The new version of Keeping Children Safe in Education (KCSiE) is due for publication in August 2024 and the changes in the published KCSiE 2024 will be incorporated into the Safeguarding Policy and Procedure ahead of approval by the Board in October.

MJ invited questions/comments.

MT wanted to know if the College has any responsibility for devices brought into College. MJ informed him that if students use our wi-fi and try to access a blocked site, MJ will receive an alert. However, if they were to do this without being connected to the wi-fi then he would not receive an alert.

SC wanted to know if there had been much activity relating to Prevent. MJ reported the local area tends to be right-wing. Within college, Smoothwall has not identified any activity relating to Prevent.

KM noted that 20% of Safeguarding incidents reported were categorised as significant, she asked MJ if the department was fully resourced to manage this. MJ reported the incidents were referred to the relevant external agencies.

Governors **received** the Safeguarding Progress Report, **reviewed** the progress made against key actions outlined in the Safeguarding Action Plan and **approved** the changes made to the Board Assurance Framework specifically with regard to:

- the effectiveness of internal controls;
- the level assurance provided.

At this point, DA reminded Governors that he is the Safeguarding Link Governor, and has enjoyed the role; however, now that he is also Corporation Chair, it would be prudent to ‘share the load’. He reported that CL has expressed an interest in taking on the Safeguarding Link Governor role.

Governors **approved** the appointment of Carole Loader as Safeguarding Link Governor.

At 7pm the Corporation Chair suggested a 5-minute break. The meeting resumed at 7.05pm.

6. Finance & Resources

6.1. Annual Budget and Financial Plan

DM presented the report on behalf of TH (apologies were received from TH).

DM introduced the report. The purpose of the report was to provide the Board with a detailed overview of the budget for the 2024-25 financial year. It included a review of financial performance for 2023-24, alongside the proposed budget and financial plan for the upcoming year. High-level financial plans for 2025-26 and 2026-27 were also included.

DM referred Governors to the table at the top of page 2 of the report. The table provided a summary of the provisional budget presented to Governors in May 2024, alongside the final budget being presented for approval. The I&E surplus has reduced by £166.5k from the provisional budget presented. This is due to a small reduction in income (funding body and capital grants) and increases in pay and non-pay expenditure.

DM reported the cleaning service is currently serviced externally by Durham County Council (DCC) and the College has received notice that DCC will be withdrawing from this service delivery.

Financial Health & EBITDA Surplus - The College's financial health is expected to be 'GOOD' at the end of 2023-24 and 2024-25, returning to 'Outstanding' thereafter. The College is expected to produce an EBITDA surplus of £404k in 2024-25, rising to £671k in 2025-26 and £745k in 2026-27.

Pay Award – The budget presented for approval included a pay award for staff of 2% within the 2024-25 financial year, and further increases, depending on affordability of around 3% per annum in 2025-26 and 2026-27.

Non-Pay Expenditure Pressure – It was noted there is a risk that costs continue to rise at a rapid rate, resulting in increased pressure on budgets. To mitigate this, inflationary increases have been profiled into the budgets going forward. The figures presented are achievable and further efficiencies will be strived for in 2024-25, which were not included in the budget.

DM paused and invited questions/comments from Governors.

AH wanted to know what the plan was regarding tenders for the cleaning service. DM reported these are in the early stages but the intention is to move with this as quickly as possible.

SJ wanted to know if the approach would be market testing or procurement. DM reported that it would be market testing.

AH offered to provide the contact details of a company that Darlington College used. The service provided was good.

SC referred to Table 2.2 and asked why the staff pay to income ratio was shown as 71% rather than 65%, as the numbers initially seemed to suggest: £6.97mn/£10.7mn. DM agreed to check the figures and report back

Governors **received and approved** the proposed budget for the 2024-25 fiscal year.

6.2. Annual Budget and Financial Plan

DM introduced the report. The purpose of the report was to provide the Board with an update on the College's financial performance at the end of month 10 (May 2024), highlighting any areas of concern and points for consideration. The report was supported by an accompanying Financial Information Pack which provided the detailed breakdown of the College's actual and forecast financial performance.

Income & Expenditure - The full year EBITDA projection is a surplus of £406k, and with two months remaining in the financial year, it is projected to be achieved.

Income - At the end of month-10 total income of £8.02m is £408k adverse to the budgeted position. A reduction in total income of £58k is projected for the full-year, mainly due to reduced Apprenticeships and Advanced Learner Loans income, with all other income categories expecting to exceed the revised budget. Over recovery of AEB of £27k included within the projection, and it is likely that this could exceed that projection, with new academies being planned for the coming weeks.

Payroll expenditure - Payroll costs totalling £5.06m at month 10 are £144k favourable to the budgeted position. This variance reflects the savings made from unfilled posts during the year, most of which have now been filled. The projected full-year spend of £6.01m is £323k favourable to the budget.

Non-pay expenditure - Non-pay costs at month of £3.24m are £304k adverse to budget, with adverse variances across multiple categories being partially offset by some areas of underspend. An overspend against budget of £195k is projected at year-end. There were several exceptional areas of expenditure during the year which are not anticipated to recur annually, and more detail on these was provided at Appendix 1 of the report for Governor perusal.

DM invited questions/comments from Governors.

AH wanted assurance that the adult education delivery target will be achieved. In response SE reported there was approximately £100k worth of enrolments that were to be processed and this delivery is in areas that receive a 20% uplift. SE reported that due to the lagged funding; this will be received later in the year (October).

AH asked DM if there were any 'red flags' that were keeping her awake at night. DM stated that the financial plans and targets are ambitious, however, they do not keep her awake at night.

MT noted the gap between the pay award at 2% and the Union position seemed to be quite large, he asked if this could affect the industrial relations. RH reported the local relationship between the College and the Unions is good; in previous years, the pay award has been below the Unions request, without challenge. RH also reported the AoC have held back until the school's position is known; and the election stalled this. This will now be a matter for the new Education Minister.

CB asked a question relating to the collective grievance. RH reported this will be touched on in her report. The collective grievance is signed by 8 members of staff (out of 25 in the Real Living Wage category).

DA acknowledged that the College can only pay what it can afford; hence why growth is an area of focus going forward. RH reminded Governors, that whilst the College could not afford to pay the AoC recommended pay award last year, other measures were introduced; for example, the 2pm finish on a Friday and the extra birthday annual leave day, these were appreciated by staff.

Governors **received** the month 10 Finance Report.

6.3. Human Resources and Staffing Information Report – Term 2 2023-24

RH introduced her report. The purpose of the report was to provide the Corporation Board with an update Human Resources KPIs, statistics and performance for the second term (for this purpose 1 December – 31 March) of the Academic Year 2023-24, in addition to comparison of the same period last year.

Despite the reported difficulties in the recruitment market, there has been success in appointing to several key vacancies this term. In the main these were direct replacements, but importantly, in notoriously challenging areas of teaching such as a significant number in Engineering & Digital and Clinical Healthcare Apprenticeships, as well as the business-critical area of Business Development.

Recruitment continues at pace, with 5 new starters in April 2024, 3 in May 2024 and 7 in June 2024. There are 7 other vacancies currently at various stages of the recruitment process.

Levelling Up Premium - The Department for Education (DfE) has recently improved some of the financial incentives for new teaching recruits in FE and the College intend to take full advantage of these where possible. The first is the Levelling Up Premium where FE teachers in the first 5 years of their FE teaching career may be eligible to claim up to £6,000 for teaching in specific subjects. This incentive is managed directly by the DfE, with eligible teachers required to make a claim directly, however the intention is to highlight the incentive to potentially eligible staff and when advertising potentially eligible roles.

Taking Teaching Further – This amended DfE funded programme supports FE providers to recruit and provide early career support to those with relevant knowledge and/or industry experience to retrain as Teachers. There are several eligibility criteria in order to claim up to £21k, to support and pay for teaching qualifications and other early career support. The College has recently asked for up to 3 places for new staff on this scheme between 1 February 2024 and 31 January 2025.

Sickness Absence - Sickness rates have increased from Term 1 to Term 2, but not beyond where they were last year. Long term rates are reducing although remain relatively high, but it is hoped, with some recent retirements, long term sickness will show a significant reduction. Work related absence was not a feature in Term 2 which is very positive.

Employee Relations and Pay - 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 increase was implemented with effect 1st April 2024, meaning the salary for those on the Real Living Wage is now £21,900. As reported by the Principal in May, a small number of staff have raised concerns regarding the implementation of this increase, feeling aggrieved that the £12 per hour is being applied to 35 hours per week, as opposed to their former hours of 37. More recently, a collective grievance was received from 8 Unison / Unite members on this matter which is currently being dealt with.

College Staff Survey - The 2023/24 College Staff Survey was undertaken recently. The results are currently being analysed and shared with a view to once again benchmark our results against those of other Colleges. A report will be shared with Governors in December alongside an action plan to address any issues.

Questions were invited – none were raised.



Governors reviewed and considered the key points and risks arising from the report.

7. Governance Matters

7.1. Appointments

As recommended by the Search & Governance Committee, Governors approved the appointment of the following Governors to the Finance & Resources Committee: Mr David Allsop, Mr Andrew Hayday, Mr Carl Bozeate and Mr Mark Short.

As recommended by the Search & Governance Committee Governors nominations were received for the Senior Independent Governor and Vice Chair roles.

Senior Independent Governor – Mr Stuart Corbridge was nominated and supported.

Governors approved the nomination of Mr Stuart Corbridge to the role of Senior Independent Governor.

Vice Chair – Mr Guy Brown was nominated and supported.

DA reported the Search & Governance Committee recommended the appointment of two Vice Chair roles, to strengthen the Governance structure.

Second Vice Chair – Ms Sarah Jones was nominated and supported.

Governors approved the nominations of Mr Guy Brown to the role of Vice Chair and Ms Sarah Jones to the role of second Vice Chair.

8. Policy Review

Following the two-week policy review window and feedback received from Governors on the policy presented. Governors approved the following policy:

- Senior Postholder Remuneration Policy

At 7.50 pm SE and EG left the meeting and agenda items 3.2 and 9 were discussed.

9. Any Other Items of Urgent Business

Governor Engagement - HB updated Governors that she would circulate dates of upcoming engagement opportunities, particularly around Learner Voice events in November and April. She also suggested that, immediately prior to the Board meeting in October, a 'speed dating' type event could be arranged where Governors could meet Curriculum Leaders, if the board felt this would be valuable. DA commented that Ofsted recognise effective engagement between Governors and the Curriculum and if we wished to become an Outstanding College, events like this prove invaluable. DA commented he has himself participated in Learner Voice activities and a Curriculum visit and found both to be very helpful and so he encouraged involvement from the Board. HB confirmed she was also happy to arrange other visits outside of these pre-determined events to fit in with Board members' other commitments.

Board members agreed in principle to these proposals

The meeting closed at 7.56 pm.

Board Meetings

Actions Arising

Date of Meeting: 9th July 2024

| Minute Ref | Action | Responsible Officer | Status & Deadline |
|------------|--|-----------------------------|---|
| 3.5 | <u>Strategic Direction & Values</u> SE will check the Learner Satisfaction target with CT for the 2024-25 and 2025-2026 period. | Deputy Principal | <u>Complete</u> – The Strategic Plan has been updated |
| 4.1 | <u>Teachermatic</u> – A report will be provided to the Quality & Standards Committee regarding the impact of the Teachermatic software | Head of Quality & Standards | 4 February 2025 |
| 4.1 | <u>AI</u> - A report will be provided to the Quality & Standards Committee regarding the Broad Implications of AI on the College and how we deal with them. | Deputy Principal | <u>Complete</u> – Presented at the 8 th October meeting |
| 6.1 | <u>Annual Budget & Financial Plan</u> – DM will check the staff to income ratio and report her findings to SC. | Interim Head of Finance | <u>Complete</u> |
| 9 | <u>Governor Engagement</u> – HB will circulate engagement opportunities, particularly around Learner Voice events in November and April | Head of Quality & Standards | <u>Complete</u> |
| 9 | <u>Governor Engagement</u> - A ‘speed dating’ type event will be arranged for Governors to meet Curriculum Leaders | Head of Quality & Standards | 15 October 2024 |

Date of Meeting: 21st May 2024

| Minute Ref | Action | Responsible Officer | Status & Deadline |
|------------|--|---------------------|---|
| 2.2 | <u>Student Governors</u> The Head of Governance will advertise and seek to recruit two suitable Student Governors. | Head of Governance | <u>In progress</u> 17 October 2024 (Search & Governance Committee) |

Date of Meeting: 27th February 2024

| Minute Ref | Action | Responsible Officer | Status & Deadline |
|------------|--|--------------------------------------|---|
| 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. | Vice Principal – Finance & Resources | <u>In progress</u> – this is being picked up by the newly formed Finance & Resources Committee |



Date of Meeting: 26 September 2023

| Minute Ref | Action | Responsible Officer | Status & Deadline |
|------------|---|--------------------------------------|---|
| 7.3 | <u>Risk Management Policy</u> Develop a new risk management policy and approach to the management of risk at the College. | Vice Principal – Finance & Resources | <u>In progress</u> – Audit & Risk Committee November 2024, Board December 2024 |

