

Meeting of the Board

Venue: Conference Room 1, South Tyneside College

Date: Wednesday 14 October 2015

Time: 4.00pm – 6.05pm

Present: Andrew Watts (in the Chair)
David Byrne
Jed Calcutt
George Clark
Terry Cornick
Hilary Harrison
Mark Overton
Alison Rowley
Christine Smith
Ray Staward
Les Watson
Nick Whalen-Griffiths
Lindsey Whiterod

In Attendance: Neil Longstaff (Clerk)
Helen Beaton (Deputy Chief Executive)

ITEM NO.	ISSUES	ACTION
1.	<p>Apologies for absence</p> <p>The Board received and approved apologies for absence from Thivvyaanandan Sermugam, Des Young and Susan Wear after having first considered the reasons for their absence.</p> <p>Governors also noted apologies received from Malcolm Grady and Peter Davidson (Governor designates).</p>	
2.	<p>Declarations of interests</p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p> <p>The members of the Board were reminded of the standing declarations in respect of roles held in the Academy Trust for the following Members:</p> <p>C Smith - Chair of Board, Director and Member R Staward - Director L Watson (LWa) - Director and Member L Whiterod (LW) - Director, Member and Chief Executive A Watts – Director and Member</p>	
3.	<p>Appointment and Introduction of Student Governors</p> <p>The Chair took an opportunity to congratulate the new Student Members on their</p>	

	election and welcomed Jed Calcutt to the meeting.	
4.	<p>Presentations</p> <p>The Chair made presentations to Christine Smith and Ray Staward on behalf of the Board of governors to recognise their contribution as members of the College Board since 2007. T</p> <p>RW and CS thanked the Board for their comments and gift, and wished the College and Board well for the future.</p>	
5.	<p>Minutes and Matters Arising</p> <p>The minutes and confidential minutes of the meetings held on 8 July 2015 were approved and signed by the Chair.</p> <p>Matters arising</p> <p><u>Ofsted</u> It was confirmed that Alison Maynard had sent the inspection handbook to all governors as requested.</p> <p>The Chief Executive reported that there were a number of position papers being developed/updated and the immediate aim was now to have one for governors which gave an overview of all key areas.</p> <p><u>Governors</u> Records had been updated in light of reappointments.</p> <p><u>5 Year Development Plan</u> This had been updated and was an item on the agenda.</p> <p><u>Nominations for Chair and Vice-Chair of the Academy Board</u> Nominations were on the agenda for the Academy Board scheduled for 22 October 2015.</p> <p><u>Classroom in a container project</u> Letters of thanks had been sent via the Clerk to all concerned.</p> <p>LWa reported that the container had now arrived in Bulawayo. A press release was to be made.</p> <p><u>Code of Conduct</u> It was noted that the Code of Conduct had been amended to show that in order for the Board or Committee to accept an apology a governor must also make a verbal/written contribution towards the meeting.</p> <p><u>Online training</u></p> <p>The Clerk confirmed that reminders had been sent out to governors to ask them to complete the online training courses.</p>	

<p>6.</p>	<p>Chief Executive’s Report</p> <p>The paper provided the Board with a strategic update on the following issues:</p> <ul style="list-style-type: none"> • Update on Learner Recruitment • Strategic Issues • 2020 Development Plan – update • Area Reviews – potential impact on the College’s core values <p><u>Update on Learner Recruitment</u></p> <p>HB provided updated figures for governors.</p> <p>Q. 16-18 Income? Variance was 87 down on learner allocation and could affect future years. However, LW was pleased with numbers achieved to date particularly as it was a difficult market.</p> <p>Adult Skills Budget - As allocations were for funding not student numbers, it was stressed that an accurate predicted outturn was very difficult to do, although planning was in progress to hit target by the end of the academic year. The College was currently £551k down on allocation.</p> <p>16-18 Apprenticeships estimate for achievement had increased but was still down on allocation (£328k). It was reported that employers had placements waiting but there were no students to fill them.</p> <p>Q. Particular sectors? No, across the board.</p> <p>Governors were informed that the challenge ahead was in 16-18 provision as 19+ was historically good. However, the landscape was evolving and subcontracting was likely to be scaled back. Apprenticeships appeared to be going to employers. It was stated that the College had shown good quality provision for apprenticeships.</p> <p>Governors felt there needed to be a review as early as possible into the contribution levels from each school/department.</p> <p><u>Area Reviews</u></p> <p>Confidential</p> <p>Resolved:</p> <p>i. That the Board accept the report acknowledging the changing climate across the FE sector and the potential impact on the College’s core values.</p> <p>iii. That the updates to the 2020 Development Plan are agreed.</p>	<p>HB</p>
<p>7.</p>	<p>Academy Trust Update</p> <p>LW provided a brief update on matters concerning the Academy.</p> <p><u>Multi Academy</u></p> <p>Confidential</p>	

	<p><u>Ofsted</u></p> <p>Confidential</p> <p>Resolved: That the report is accepted.</p>	
8.	<p>Ofsted</p> <p>Governors were reminded that the College was due a 2 day Ofsted inspection, which would be carried out under the new framework.</p> <p>A considerable amount of preparation was being undertaken as mentioned earlier in the meeting.</p> <p>Risks for the College were currently Partners (delivery) and engineering (staffing).</p> <p>Governors stated that they had been impressed with the approach taken by managers across the College on delivering the Prevent agenda.</p> <p>Resolved: That the update is received and acknowledged.</p>	
9.	<p>Student Union Report</p> <p>Deferred until later in the meeting.</p>	
10.	<p>Draft College Self-Assessment Report 2014-15</p> <p>The Chief Executive provided an update on the progress with the College Self-Assessment Report (SAR) for members' consideration.</p> <p>The Professional and Vocational College (PVC) had judged itself with the following grades:</p> <ul style="list-style-type: none"> • Effectiveness of Leadership and Management - Good • Quality of Teaching, Learning and Assessment - Good • Personal development, behaviour and welfare - Good • Outcomes for Learners - Good <p>It was reported that this document was a work in progress and a final version would be submitted to the Board in December 2015 via the PVC Quality, Curriculum and Community Committee.</p> <p>Members were reminded that the SAR was used by the college to provide an overview of the College's effectiveness in providing an understanding of its own strengths and weaknesses and in improving standards. It was also reported that the document had been written using the new Ofsted framework.</p> <p>Q. Leadership and management grade? Success rates were pulling down other scores. Governance was judged to be good at the previous inspection but the Chief Executive felt that it was even better now.</p> <p>Resolved: That the information is received and accepted, and that any additional comments about the document and its contents are to be forwarded to the Chief</p>	

	Executive for consideration.	
11.	<p>HE Strategy 2014-17 (update)</p> <p>The Clerk reported that at the last meeting of the South Shields Marine School (Quality and Curriculum) Committee minor changes had been made to Higher Education Strategy 2014-17.</p> <p>It was explained that the vision statement now mirrored the format of the existing College Mission and Values statements.</p> <p>Governors were asked to approve the revised document.</p> <p>Resolved: That the HE Strategy 2014-17 is approved.</p>	
12.	<p>Career College Terms of Reference – review</p> <p>The Clerk introduced a revised draft terms of reference for the Career College Joint Committee which had been identified at its first meeting.</p> <p>In addition, the Clerk highlighted the need for the appointment of a Vice-Chair to be included.</p> <p>Resolved: That the revised terms of reference for the CCNE Joint Committee is approved subject to the appointment of a Vice-Chair being covered.</p>	
13.	<p>Management Accounts to 31 July 2015</p> <p>HB introduced this comprehensive report and advised that as at the end of July 2015, the College had made a £1,319k operating surplus which was £380k above target but £424k below the 2013-14 position.</p> <p>Total income was £2,006k above budget due to increased Adult Apprentices delivery, improved catering and residences and other sundry income (predominantly Marine accommodation income for Nimasa Learners which was offset by equivalent non-pay costs). 16-18 apprentice and other tuition income were £590k and £174k below budget respectively.</p> <p>Payroll costs were £871k below target but £250k above 2013-14 costs. This was primarily due to low casual lecturer and classroom support costs, which were partly offset by higher than budgeted Permanent Lecturers, Admin Management and Business Support costs.</p> <p>Non-pay expenditure was £2,596k above target and £3,305k above 2013-14. This was due to high marine accommodation and employer incentive costs (which were offset by equivalent income), partnership costs within the School of External Funding and depreciation charges. These results included a £320k FRS17 actuarial gain arising from the 2015 Tyne & Wear pension fund statement year, so excluding that the College actually performed £60k better than the original budget.</p> <p>The College's financial health was currently graded as "Outstanding".</p> <p>Key Ratios were highlighted and discussed.</p> <p>Q. Staff costs healthy? Yes, at 54% compared to a sector average of 63%.</p>	

	<p>Q. What did financial health cover? The whole of college's finances.</p> <p>Q. How did the budget look without Marine element? HB indicated that information was not currently collected in a way to calculate this figure. It was reported that central overheads were not known e.g. gas/electric used, ICT and depreciation elements.</p> <p>Governors felt that a broad breakdown of funding between Marine and PVC would be a useful strategic document for the Growth Strategy Working Group (GSWG) to consider. It was commented that this was on the radar of F&R Committee, examining true viability of courses and realistic contributions.</p> <p>Membership of the GSWG was reviewed in light of governors leaving the Board.</p> <p>Resolved:</p> <p>i. That the Management Accounts are approved.</p> <p>ii. That the following governors are to be members of the GSWG: Susan Wear, Malcolm Grady, Terry Cornick and Peter Davidson</p>	
<p>14.</p>	<p>Internal Audit Annual Report Year ending 31 July 2015</p> <p>The above mentioned report covered the following areas:</p> <ul style="list-style-type: none"> • Executive summary • Planned coverage and outputs • Implementation of recommendations • Performance of internal audit <p>The auditors concluded that they were satisfied that sufficient internal audit work had been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes. In their opinion the College had adequate and effective risk management, control and governance processes to manage the achievement of its objectives.</p> <p>The 2014-15 annual internal audit plan identified 10 reviews and one follow up review of previously agreed internal audit recommendations. Therefore, a total of 11 reports had been issued with the opinion ratings on each identified.</p> <p>Q. Staff recruitment/retention identified as satisfactory? This was being addressed through succession planning systems and procedures. The wider issue of recruitment of staff was acknowledged.</p> <p>Resolved: That the report is approved.</p>	
<p>15.</p>	<p>Internal Audit Plan 2015-16</p> <p>This strategic and annual internal audit plan set out the scope of the planned work to be undertaken by internal audit for 2015-16 within a wider 3 year strategy.</p> <p>This plan was developed based on consideration of the College's corporate objectives, risk profile and assurance framework as well as other factors affecting South Tyneside College in the year ahead including changes within the sector.</p> <p>Members views were sought highlighting that they were able to replace planned audits</p>	

	<p>as and when required.</p> <p>Resolved: That the Internal Audit Plan for 2014-15 is approved.</p>	
16.	<p>Revised Financial Regulations</p> <p>Governors were reminded that the College had an established set of financial regulations that were reviewed annually. A review of the current regulations showed that they were still fit for purpose and it was therefore the Finance and Resources Committee's proposal not to make any changes at this time.</p> <p>Resolved: That the Board agrees to keep the current set of regulations.</p>	
17.	<p>Estates update</p> <p>This paper was intended to give the Board an update on strategic estates matters, works progress, property issues and progress against the premises strategy.</p> <p>This report covered the continuing renewal programmes, including updates of progress on the current Phase 4 project, an outline of progress on Phase 5 project and other grant funded works and bids.</p> <p>An issue concerning the roof on 'F' block which was potentially expensive, was highlighted for information. As scaffolding was already erected for other works on the Block, a decision was to be taken as to whether to undertake the repairs now in order to save on costs.</p> <p>Governors were pleased to hear that the refurbishment of the College was attracting positive comments from students.</p> <p>As the solar tariff was falling after November/December, British Gas had amended the contract with the College to say that the College could opt out if the agreement was no longer viable.</p> <p>Resolved: That the report is agreed.</p>	HB
18.	<p>CCNE Financial overview and update</p> <p>This report was to give members of the Board an update on the finances for the Career College North East (CCNE) and work undertaken to date.</p> <p>The following was highlighted:</p> <ul style="list-style-type: none"> • The College invested £44k in 2014/15 to establish the Career College North East. • The College would support the Career College in 2015/16, costs were budgeted at £167k but income was still being calculated accurately. • First meeting of CCNE Joint Committee held on 14 September 2015. • Chair, Vice Chair and Clerk had been appointed. • Three of the five Associate Members (Employers) had been appointed <p>The Chair felt that it was important, as a Board, to monitor the CCNE finances and understand that this was a long term project and clawback could be longer than first estimated. This was to be monitored by the F&R Committee.</p> <p>Q. How long? Possibly over a 3 year period as the CCNE was being developed. The</p>	

	<p>benefits of the CC were also to be monitored.</p> <p>Q. Where did CCNE sit within Area Reviews? Uncertain as this stage. A potential area for the College to expand was to sponsor more schools through the Academy Trust.</p> <p>It was noted that there could be one Institute of Technology (ITC) in each Area Review.</p> <p>Resolved: That the Board acknowledge the progress made to date and financial commitment.</p>	
<p>19.</p>	<p>Student Union Report</p> <p>JC introduced the report from the Student Union (SU) and gave further details regarding the following matters:</p> <p><u>Elections</u></p> <p>Union elections for the four remaining posts on the 2015/16 Executive Committee were ongoing and interest was strong.</p> <p><u>Sales of NUS cards</u></p> <p>24 NUS cards had been sold to date but the union was aiming to sell considerably more.</p> <p><u>Union base</u></p> <p>The Union Office at the back of the College was now established in a more student focused area. Various activities and events planned were highlighted and noted.</p> <p>Q. Student area well used? Yes and students felt the location was considerably better.</p> <p><u>Parties and Functions</u></p> <p>The Union was looking to consult students and the incoming elected committee members to put together a diary of events for the year.</p> <p>Resolved: That the report is received and accepted.</p>	
<p>20.</p>	<p>Minutes of Committees since the last Board meeting</p> <p>The minutes of the meetings of the following committees were received by the Board:</p> <ul style="list-style-type: none"> (i) GSWG – 2 September 2015 (ii) CCNE – 14 September 2015 (iii) Audit – 23 September 2015 (iv) F&R – 30 September 2015 <p>A concern over the rapid turnover of staff within the Marine School, which had been raised at the GSWG meeting, was discussed. It was noted that GH had been asked to cover this matter at the next meeting of the SSMS Quality Committee as this was seen as a corporate/strategic risk. It was noted that some staff who had been expected to leave had now been retained.</p>	

	<p>It was noted that the next meeting of the GSWG was scheduled for Wednesday 2 December 2015 at 2.00pm at which a representative from Bond Dickinson would be giving advice on Area Reviews.</p> <p>Governors were informed that SEG were looking into offering 'Golden Hellos' and 'Golden Handcuffs' as part of a recruitment policy.</p> <p>Resolved: That the minutes, as mentioned above, are received.</p>	
21.	<p>Any other business</p> <p>None.</p>	
22.	<p>Identification of confidential items</p> <p>Resolved: That the following matters are to remain confidential:</p> <ul style="list-style-type: none"> • Item 6 - Chief Executive's Report re Area Reviews • Item 7 – Academy Trust Update • 	
23.	<p>Date and Time of Next Meeting</p> <p>Members were reminded that the next meeting of the Board was scheduled for Wednesday 16 December 2015 at 4.00pm which was to be followed by the Christmas dinner at 6.30pm.</p>	

Chair:

Date: