

Minutes of the 130th Meeting of the Board of Corporation of Sunderland College held on Tuesday 17th October 2017 at 6.00pm at Hartlepool Sixth Form College

PRESENT: Ms S Atkinson, Mr G Blyth, Mr T Crompton, Ms A Fellows, Ms S Forster, Mrs A Hodgson, Mr R Lawson (Chair), Mr P McEldon, Mr J Parkinson, Mr M Patton, Mr K Ramanathas, Ms E Thinnesen.

IN ATTENDANCE: Mrs S Dixon, Mr N Harrett, Mr D Howells, Mr M Hughes, Ms V Morton, Mr I Nixon, Ms J Quinn, Mrs B Robson

CLERK: Mr M Gershman

Bd/17/82 APOLOGIES AND CONSENT FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received and consented to from Mr J Barnett, Mrs E Bass, Cllr C Gofton and Mr R Saelzer.

Ms Atkinson and Ms Forster would withdraw from the meeting for item 104.

(Mr T Crompton, Mr P McEldon, Mr J Parkinson and Mr M Patton left the meeting)

Bd/17/83 APPOINTMENT OF GOVERNORS

The re-appointment of three existing governors was approved.

Governors were informed that one of the two candidates from the Board of Hartlepool Sixth Form College recommended for appointment by the Governance Committee had withdrawn her application because of other commitments. Governors agreed that she should be contacted and informed that she would be welcome to seek appointment in the future, if she became available again. Governors agreed that the other candidate, Mr Mark Patton, should be appointed as a governor.

Governors were informed that Joseph Parkinson, a second year A level student had come first on the ballot during the recent student governor election. The Governance Committee had recommended that another student governor be appointed and if this was a first year student, future student elections should be held from September 2018 to elect a first year student to replace the outgoing second year. The second place candidate on the ballot would be accepting the position of Head of the Student Council at Bede Campus and it was therefore agreed that the third place candidate, Daniel Measor, a first year A level student at Hartlepool Sixth Form College (HSFC) should be appointed.

Two further candidates had been identified as potential governors and were to be interviewed. The Clerk pointed out that two governors would be standing down during the course of the year.

The Board:

- i) Approved the re-appointment of Mr McEldon as a governor until 2nd June 2021
- ii) Approved the re-appointment of Cllr Gofton as a governor until 3rd May 2018
- iii) Approved the re-appointment of Mr Crompton as a governor until 14th October 2021
- iv) Approved the appointment of Mr Patton as a governor until 16th October 2021
- v) Approved the appointments of Mr Parkinson and Mr Measor as student governors for a period of up to two years, or whenever they left the College
- vi) Agreed that the stated size of the Corporation could temporarily rise above 17 by one or two places during any period between the appointment of new governors and the departure of existing governors.

(Mr T Crompton, Mr P McEldon, Mr J Parkinson and Mr M Patton re-joined the meeting)

Bd/17/84 MINUTES OF THE MEETING HELD ON 4 JULY 2017

The minutes of the meeting were accepted as a true and accurate record and were signed by the Chair.

Bd/17/85 MATTERS ARISING

There were no matters arising not covered elsewhere on the agenda.

Bd/17/86 EXECUTIVE REPORT

The Principal presented this report to governors.

With regards to English and Maths Conditionality, confirmation has been received that the margin of up to 5% non-compliance remains in place for 2017-1, however the College works in all instances to resolve any non-compliance.

The delay in the implementation of T level routes from 2019 to 2020 was highlighted. At this point some limited pathways in digital, construction and childcare will be introduced. Governors will be kept informed of developments.

The need for caution when comparing GCSE Maths and English results was highlighted with the changes to the new specifications between years. National results in GCSE Maths had fallen by 2%, while there had been an improvement in GCSE English by 6%.

The Principal informed governors that Craig Millar, the new Director of Marketing, Sales and Corporate Affairs would be starting on 13th November.

The Governors and Senior Team stressed that they remain committed to implementing the NE Area Based Review Recommendations. A governor asked if the Chairs of colleges in the region met together and the Chair explained that they had held an initial meeting the previous month and they would be meeting every other month in future.

There had been some very productive conversations between the Principal and Mark Hughes and the Head of Skills at the Tees Valley Combined Authority. The HSFC curriculum was being reviewed and reshaped but the Principal stressed that it remained important to add value to the Tees Valley and work in partnership.

At this point in the meeting the Principal showed a video about the piloting of the Gatsby good careers guidance benchmarks. There would be greater emphasis on careers at Curriculum and Quality (C & Q) Committee meetings in future.

Judith Quinn was congratulated on her appointment as Vice-Principal, Curriculum and Achievement. The appointment of Naomi Robson as Director of People and Organisational Development was also highlighted.

The Education and Skills Funding Agency (ESFA) has confirmed that HSFC is no longer in formal intervention for financial inadequacy, as a consequence of the merger. Sunderland College is moving towards good financial health.

Significant progress had been made by the Hartlepool Merger Transition Group in dealing with some significant estates and health and safety issues that existed pre-merger. It is clear that previous curriculum decisions at HSFC pre-merger have in some instances been made on financial grounds rather than educational grounds, immediate changes have been implemented. The significant number of leadership changes over several years' means there is much to do regarding harmonising culture.

The Board:

- i) Reviewed and received the report
- ii) Noted that the Chair would liaise with the neighbouring college Chair regarding marketing.

(Mrs Fellows left the meeting)

Bd/17/87 STUDENT DISCIPLINE REPORT

The report was presented by Vikkie Morton. She highlighted that the increase in incident reports at the City Campus was due to the application of a consistent approach to disciplinary policies and procedures. Ms Morton also explained that the Policy and Procedures had not yet been amended to reflect the merger. Distinct arrangements would remain in force for HSFC during 2017/18, until a task group could produce a single policy and procedures for 2018/19.

The Board:

- i) Received and noted the report, including the Student Disciplinary Policy and Procedures.

Bd/17/88 COMPLAINTS REPORT & PROCEDURE REVIEW

The report was presented by Ms Morton. She highlighted that the three complaints received from HE students did not relate to academic standards and were resolved.

(Mrs Fellows re-joined the meeting)

There was more work to be done on establishing a robust system of capturing compliments, many of which related to the Bistro and events. Some related to teaching and learning.

There had been a detailed review of procedures by the senior leadership team (SLT) and changes were highlighted in appendix 3. *A governor asked about whether one of the decisions taken set a difficult precedent.* Ms Morton responded that this did not, as it related to specific circumstances and the College had taken advice on this matter. The Chair confirmed that the arrangements made in this case were those usually recommended.

The Board:

- i) Received and noted the report
- ii) Approved the amendments to the Complaints Procedure.

Bd/17/89i HEALTH & SAFETY REPORT

The report was presented by David Howells. The appointment of the new Health and Safety manager was highlighted. Progress had been made in a number of areas and much more detail would be made available on health and safety arrangements. The College has more than sufficient trained firefighters and first aiders. The five-star rating achieved by the Deli was also highlighted. A great deal of work had been carried out on risk assessments. The Principal added that the SLT had ensured fire risk assessment were in place for all campuses, including HSFC. HSFC had a fire assessment in place prior to merger, but Sunderland College had nevertheless decided to carry out a further one to ensure consistency in approach.

The Board:

- i) Received the report and agreed and supported the approach being adopted to improve health and safety within the College.

(Mr Hughes left the meeting)

Bd/17/89ii HEALTH & SAFETY POLICY

Mr Howells presented the report. Once the policy had been approved it would be shared with all staff.

The Board:

- i) Received the report
- ii) Approved the Health and Safety Policy.

(Mr Hughes rejoined the meeting)

Nigel Harrett presented the report. Curriculum changes at Key Stage 3 and 4 had impacted negatively on student numbers in creative arts. Student numbers at HSFC are slightly down, but the first open evening of the year had been very well attended. HE numbers were down as expected, while overall adult numbers are slightly up. It was however still very early in the year and any adult classes slightly down are still recruiting mid-year.

The Board:

- i) Received and noted the report.

Mr Harrett presented the report and tabled an update, which incorporated a few slight changes.

(Mr Ramanathas left the meeting)

The overall position had slightly improved. The three areas of concern in 16-18 achievement highlighted were A Level rates, which would be the main focus, AS Level rates and Functional Skills English and Maths, which was also a concern at 19+. Otherwise, results were good. Some restructuring of the curriculum had taken place and assessment had been more rigorous during 2016/17. A governor commented that the results compared favourably with school-based sixth forms, which was commendable. Mr Harrett responded that the College used to benchmark against other FE colleges and sixth form colleges, but now used the national average including school-based sixth forms. There had been a very significant improvement in GCSE English and Maths results and a governor commented that as these were students who had previously failed these exams at school, the College was to be congratulated.

(Mr Ramanthas rejoined the meeting)

The concern was the fall in A Level achievement rates at HSFC prior to merger.

The Chair added his congratulations on the English and Maths results. *A governor urged the College to publicise these outcomes.*

The Board:

- i) Received and noted the report
- ii) Asked the Principal to publicise the positive outcomes for 2016/17.

Iain Nixon presented the report. The College was aiming for an achievement rate of 68% and was already set to achieve 64%. The impact on starts of the national reforms is significant. Between September 2016 and May 2017 starts were rising, but this came to an abrupt end in May after implementation of the changes. Nationally Colleges have struggled to use the system and report on data.

During the period May to July there had been a decline in starts compared to the same period in 2016 and in 2015. There had been an increase in starts from the levy paying employers who were willing to engage, but nationally Colleges are finding that the non-levy payers are less supportive of paying the 10% contribution. This issue had made national headlines, with a 61% fall in starts across the country. It is now clear how long the hiatus will last. It is characteristic following a policy change to see an initial drop in numbers, but the sector is nervous about when it will resolve. 56% of employers paying the levy had reported that they would not be able to spend all or part of it. A number of larger employers preferred to deliver programmes in-house. The uptake of apprenticeships by 16-18 year olds had been particularly badly affected, as employers had been focussing on upskilling their existing workforce. *The Chair asked if the impact of the fall in numbers on the College had been modelled yet.* Mr Nixon confirmed this was in progress.

Mr Nixon informed the Committee that he had presented three scenarios in June in the Business Development Strategy. The third scenario had been a 20% drop in income and he now believed that this would be the best outcome possible. The College did have a promising field of business opportunities, mainly from levy-paying employers, but many of these had to go to competitive tender for their provision.

The College was a finalist for the 2017 Association of Colleges (AoC) Beacon Award for employer engagement.

The Board:

- i) Received and noted the report
- ii) Noted that the impact of the fall in apprenticeship numbers would be reported back to the Board and flagged up as a risk in the Risk Register.

Bd/17/93 SUBCONTRACTING/PARTNERSHIPS TERMMLY UPDATE

The report was presented by Mr Nixon. The partnership with Sora Group was strengthening and the College was looking to build on this. Three individuals formerly employed by Team Wearside had appeared in court charged with fraud. The College was in the process of recovering these funds. There would be some high value contracts during 2017/18 including £1M with one company, which would require Board approval.

(Sally Dixon joined the meeting)

The College would not be working with one partner school after 2017/18 as it had been categorised as Requires Improvement in its last OfSTED inspection in May and the Principal explained that the College could not continue to work with another provider that was less than Good. *A governor asked what the terms of the contract with the School were and was informed of these.* Mr Harrett explained that the College had met with the School about the contract, which had to continue for one more academic year. *The governor asked about the College's obligation to these young people and if it was sure that the provision was of sufficient quality.* Mr Nixon pointed out that their achievement rates in the sixth form were nonetheless quite good. The Director of Sixth Form met with them weekly, as well as the quality team. The quality was acceptable and some of the provision was now located at the Bede Campus. *The governor emphasised the importance of quality and that these students should have the same opportunities as those attending the College's campuses.* The Principal responded that there was intense

engagement, but after eight years of working together, the arrangement now had to be terminated. A further update would be provided at the C & Q Committee.

The Board:

- i) Received the report
- ii) Noted that a number of high value contracts would be submitted for approval to future meetings during 2017/18
- iii) Noted that an update on the terminated partnership with a school would be provided to the C & Q Committee.

(Mrs Atkinson left the meeting)

Bd/17/94 QUALITY STRATEGY ANNUAL REVIEW

Mrs Robson presented the report, which had been discussed and approved by the C & Q Committee the previous day.

The Board:

- i) Received and noted the report
- ii) Approved the Quality Policy and Strategy

(Mrs Atkinson rejoined the meeting)

Bd/17/95 BUDGETARY CONTROL STATEMENTS – 2016/17 YEAR END

Mr Howells presented the report, which had previously been discussed by the Resources & Capital Projects (R & CP) Committee. He explained that Financial Reporting Standard (FRS) 17 was excluded in the determination of financial health (earnings before interest, taxes, depreciation, and amortisation (EBITDA)) as a technical adjustment which would not be called in. The satisfactory score of 120 had been previously forecast. The universities had challenged the superannuation scheme actuaries over this in the past and there had been differences of opinion between the auditors and the actuaries. The auditors had wanted to use a higher consumer price index figure than the actuaries. The previous forecast had been based on the pre-2016 pension scheme valuation. The outcome was that while the annual charge to the balance sheet had significantly increased, the notional deficit had reduced from £21M to £14.5M. Mr Howells had spoken to the actuary about this and this had been a sector-wide issue. The College would have to expect these higher annual charges in the future. The ESFA place more priority on the College's EBITDA rather than this measure and the cash flow was also not affected, but the balance sheet was. *A governor asked how this would be reported. Mr Howells responded that the ESFA was satisfied with this. Another governor commented that it would nevertheless appear that the College had made an in-year loss.*

The Board:

- i) Received and noted the report.

Bd/17/96 ESTATES AND FINANCING UPDATE – CONFIDENTIAL AND NOT FOR PUBLICATION

(Redacted)

(Mr McEldon left the meeting)

Bd/17/97 TRAVEL AND SUBSISTENCE POLICY

Mr Howells presented the report and tabled an update. Mr Harrett asked that the source of the overnight rate for London be established.

The Board:
i) Received and noted the report
ii) Approved the revised Policy and backdated implementation of the changes to 1st August 2017.

(Mr McEldon rejoined the meeting)

Bd/17/98 INTERNAL AUDIT PLAN 2017/18

Mr Howells presented the report.

(Ms Morton left the meeting)

A governor observed that the termination of RSM's services represented an opportunity to review the quality of provision and that this should improve as a result.

(Mr McEldon rejoined the meeting and Mr Parkinson left the meeting, after the Chair had thanked him for attending).

The Board:
i) Received and noted the report.

Bd/17/99 PROPOSED PAY AWARD

(Redacted!)

(The Principal left the meeting)

Bd/17/100i RECOMMENDATIONS OF THE GOVERNANCE COMMITTEE

The Clerk presented the report. Forms would be sent out for the one to one reviews during November and the meetings would take place in December. Accountability measures and preparation for OfSTED inspection should be added to the training programme. The proposed governance lead areas would be discussed at the Strategic Event. Mr Harrett informed governors that as a result of the merger the College would undergo a full OfSTED inspection within three years of 1st August 2017 and a monitoring inspection could take place at any time.

(The Principal rejoined the meeting)

The Board:

- i) Received and noted the report
- ii) Approved the Programme of Business for 2017/18
- iii) Approved the process for evaluating the performance and effectiveness of the Board, senior post holders and the Clerk
- iv) Endorsed the proposed internal training plan, subject to the addition of accountability measures and preparation for OfSTED inspection
- v) Noted that the proposed governance lead areas would be discussed at the Strategic Event on 29th November 2017.

Bd/17/100ii GOVERNANCE COMMITTEE RECOMMENDATIONS – PART B

(Redacted)

Bd/17/101 APPROVAL OF COMMITTEE MINUTES

The Board:

- i) Received the minutes for information.

Bd/17/102 ANY OTHER BUSINESS

The Clerk reminded governors that the whole College Self-Assessment Return (SAR) Validation Panel would be meeting from 9:00 to 12:00 on 21st November 2017 at the Washington Campus and governors had been invited to attend. The closed off 2016/17 Quality Improvement Plan (QIP), draft 2016/17 SAR and 2017 draft QIP would be circulated to governors for comment.

Mr Harrett highlighted Project 100, which was about Corporate Social Responsibility and intended to improve the community of Sunderland for the City of Culture 2021 bid. The College had suggested a similar exercise to the Hartlepool LA.

The Chair read out a letter received from Paul Thompson, the former Vice-Chair of the Corporation of HSFC, which held its final meeting prior to the merger on 26th July 2017, concerning the appointment of HSFC governors to the Board of Sunderland College. Governors discussed the letter and agreed that the College had followed a very rigorous and correct process. The Chair would emphasise this when he responded to Mr Thompson.

The Board

- i) Noted that documentation for the SAR Validation Panel would be circulated to those governors able to attend.
- ii) Agreed that the Chair should respond to the letter from Mr Thompson

(Mrs Atkinson and Mrs Forster left the meeting)

Bd/17/103 DATE, TIME AND VENUE OF NEXT MEETING

The next scheduled meeting would take place at 6pm on 5th December 2017 in the Conference Room at City Campus.

Bd/17/104 FUTURE STRATEGY (CLOSED ITEM)

(Redacted)

The meeting closed at 8.55pm