

**Minutes of the meeting of the Board of Corporation held on
Tuesday, 19 October 2021 at 6:00pm in the Conference Room, Washington Campus**

Present:

- Derek Cogle
- Jill Colbert
- Pamela Dawson
- Louise Doyle (Teams from item 04)
- Cllr Louise Farthing
- Leah Finnigan, SU President
- Julia Fox (in person from item 04)
- Jeff Hope (Teams)
- Sue Houston
- Rob Lawson (Chair)
- Paul McEldon
- Lyndsey O'Leary (Teams)
- Susan Pollard
- Alison Shaw (Teams)
- Jacqueline Steed
- James Stuart
- Ellen Thinnesen, Chief Executive

In Attendance:

- David Howells, Chief Operating Officer
- Nigel Harrett, Principal Northumberland College (Teams)
- Toni Rhodes, Principal Sunderland College
- Judith Quinn, Vice Principal Curriculum and Achievement (Teams)
- Iain Nixon, Vice Principal Partnerships and Commercial (Teams)
- Vikkie Morton, Vice Principal Student Services and Registry
- Lee Lister, Vice Principal Quality and Curriculum
- Christine Stretesky, Head of Corporate Governance and Policy

The Chair welcomed all to the first meeting of the academic year specifically welcoming Leah Finnigan, James Stuart and Julia Fox.

Bd/21-22/01 Apologies and consent for absence and declarations of interest

Apologies were received from John Barnett. There were no declarations of interest made.

Bd/21-22/02 Minutes of previous meeting held on 6 July 2021 and Matters Arising

The regular minutes were discussed and agreed to be an accurate reflection of the 06 July 2021 meeting.

The remaining portion of this item was determined to be confidential with minutes maintained separately.

Bd/21-22/03 Minutes of the Special Meeting held on 01 December 2020

The regular minutes were discussed and agreed to be an accurate reflection of the 01 December 2020 Special meeting.

There were no matters arising.

Bd/21-22/04 Chief Executive Officer's Report (incl KPIs)

The Chief Executive (CE) delivered the report highlighting from a **national policy perspective** noting the immense amount of work being done at the national level with a cabinet reshuffle and the cross departmental representation on post 16 education. She articulated a willingness to revisit and discuss changes such as:

- Continuation of post 16 as a priority
- The Level 3 qualification review
- English and maths resits
- Funding and accountability consultation
- Lifelong learning loan entitlement and modular level 4 and 5
- Levelling up white paper

She continued providing information regarding the post 16 skills bill including the number and types of amendments being introduced.

With regard to the Level 3 qualification review, she explained the issues with T Levels and the defunding of BTECs emphasising the concerns for the North East as our communities need to have access to these types of qualifications.

She concluded by discussing the Spending Review noting that the Group is very agile in responding to changes due to its strong team who know how to navigate through these types of things.

In relation to the Spending Review, the Board asked if there were any lobbying efforts underway making a connection to actions like the raising of the employer amount for national insurance and the effect on colleges like ours. The CE assured members that those efforts were being made. The Board followed up with asking if there have been any discussions around changing the college funding cycle to avoid the Spring dips. Again, the CE reassured members that discussions to that effect have occurred and that there is a funding and accountability review underway which has a way of making college funding simpler. The Chair noted that a meeting he was in with the FE Commissioner led him to believe that some colleges have been able to navigate through the last year and the lower non-pay costs helped with that but not all colleges have been able to see that savings.

The Board asked about the risk associated with all of the policy and regulatory changes. Governor O'Leary, Chair of Audit Committee, explained the risk framework for new members noting that work

has been done to improve the register and reporting over the last year. She continued that the Audit Committee review individual risk on the register at each meeting and discuss whether a risk is sufficiently within appetite to not have to be brought on the risk register reviewed by governors but maintained on the register monitored by the Executive Leadership Team. The CE suggested that risk be a feature of a future strategy day. The COO confirmed the process as described by Governor O’Leary and noted that it would be a good idea to have an item on the next strategy day agenda devoted to risk.

Julia Fox and Louise Doyle joined here

The following portion of the CEO report was deemed confidential with minutes maintained separately.

With regard to **college specific updates**, the CE shared the KPI spreadsheet with the Board noting that specific KPIs will be reported to the Board’s sub committees, though every governor, whether they are on the Board or a local board will have access to the triangulated KPIs that form the Group’s performance and effectiveness. She described the key areas governors need to have oversight on, noting the type of metrics included within the spreadsheet.

The Board expressed their satisfaction with the spreadsheet noting the ease in interpretation of the data and the ease in which performance can be predictable.

The Board asked when the spreadsheet can be automatically populated rather than manually updated. The CE responded that some data, like certain student data is already automated, but some, like finance is not. She explained that the systems transformation programmes will automate this process.

Noting the developing work around risk, the Board asked if there is an opportunity to make connections between the two. The CE acknowledged that hyperlinks to the risk register can be included which will allow members to see the current position of the Group or college. She concluded noting that this piece of work was borne out of governor challenge.

AGREED: to note the content of the report

Bd/21-22/05 Management Accounts

The Chief Operating Officer (COO) delivered the management accounts noting that two sets were provided: July 2021 and August 2021. Focusing on the July 2021 accounts, the COO highlighted:

- Audit has been going on for a while and it is not giving us any information that these figures are incorrect
- the Group actual Educational EBITDA for the twelve-month period to July 21 is £3,893k (8.01%).
- The July 21 Balance Sheet shows cash balances are higher than those included in the latest forecast, largely as a result of the timings of expenditure on capital projects
- Cash flow – we are already looking forward to March 2022 and the potential for clawback due to shortfalls in Adult skills
- We had updated our liquidity plan to show how we will get through March/Spring when cash is tight
- Income and expenditure: 16-18 year olds, 4668 learners which were out of target (no clawback but lower allocation this year); AEB income – a number of adjustments were made

over the summer as we anticipated clawback; staff costs are slightly over budget which is down to delays of transformation programmes; and other operating costs are being reviewed as some may be able to be capitalised

The Board asked how much has been put aside in anticipation of clawback. The COO stated £776K has been set aside, noting that the Group did put in a business case that he described as strong. The CE stated that the impact on delivery was felt most in Sunderland noting her gratitude to the local authority in providing the Group with COVID data to support the business case.

With regard to the KPIs found in section 8 of the report the following questions were asked and answered:

- Are the KPIs independent of each other or will one effect the other
 - The COO responded that to some extent they are separate providing liquidity as an example but noting that some areas will, if you overperform, effect your overall income or level out the losses in other income areas
- Is there a pressure to balance across all KPIs
 - COO responded that as a college group we are wanting to balance and we clearly need to improve our liquidity. The CE noted that we are headed in the right direction, and our regulator agrees. She continued that increasing market share is something that must be done
- The SU President requested an explanation why some targets that don't appear to have been met are shaded in green, others in amber and others in red
 - The COO responded that the targets are not such that if you do not meet it exactly it indicates poor performance, sometimes going under or over the target is better than meeting the target
 - The Board suggested some additional narrative in the report to clarify those instances

The SU President asked how long it will take for the college's finances to stop being effected by COVID and return to where they were pre-COVID. The COO responded that they are not that far away from where they were because for some areas where we have seen decreases because of COVID we have to balance out income and spending.

Acknowledging the amount of investment going into the college estate, the Board asked if depreciation is something that is going to be a risk moving forward. The COO responded that there are several issues with depreciation but as it does not affect our cash flow, it will not be something we would consider a risk noting that in one sense this is why the EBITDA excludes depreciation. He continued that with some of the grants the Group has received have to be released from depreciation.

The Board asked for the ideal amount of cash in hand days the COO would like to have in March. The COO responded that realistically, 15 days would be good in March noting that 30 is what you would always like to have but with the funding cycle, 15 would be good.

AGREED: to note the content of the report

Bd/21-22/06 Special Educational Needs and Disabilities Framework

This item was determined to be confidential with minutes maintained separately.

Bd/21-22/07 EPNE Enrolment against Targets

This item was determined to be confidential with minutes maintained separately.

Bd/21-22/08 EPNE Student Achievement 2020/21

This item was determined to be confidential with minutes maintained separately.

Bd/21-22/09 Apprenticeships Performance Summary (including subcontracted provision)

This item was determined to be confidential with minutes maintained separately.

Bd/21-22/10 Chair Updates

The Chairs were invited to provide a brief update on the work of their committee:

Audit: Governor O'Leary delivered the update on behalf of the Audit Committee announcing that there is nothing of concern to bring to the attention of the Board. She continued stating that Tait Walker reported that the external audit is ongoing with no concerns emerging and that the internal auditor's reports are providing good assurance that core areas of the Group, such as Curriculum Planning are appropriate and exhibiting best practice. She concluded stating that the internal audit plan for this year will be approved in the next few months.

FRP: Governor McEldon reported on behalf of the Finance, Resources and Projects Committee noting their continued focus on liquidity. He continued that they feel assured that capital projects are on track with funding in line with what was expected. He concluded noting the report from the Executive Director of IT around ongoing work on cybersecurity and capital investment in IT.

SLGB: Governor Colbert delivered the update from the Sunderland Local Board noting the board's welcome of Principal Toni Rhodes to its membership. She continued noting the reports received with the strengthening of reporting on PREVENT and sexual harassment welcomed. She concluded stating that the SLGB feel assured that the Group are meeting the needs of our vulnerable learners from socially disadvantage backgrounds.

NCQEI: Governor Shaw provided the update from the Northumberland College Education Quality and Innovation Committee giving thanks and recognition to staff at EPNE and Northumberland College for their work supporting the efforts of the committee. She also extended recognition to the students in the efforts they have made. Noting that there is still more work to be done, she stated that the committee had sadly, and in a satisfied way, recommended to the local board our disestablishment as a committee. She concluded that the local board needs to get into more review of curriculum and quality and this action will allow for that.

NLGB: Governor Hope provided an update on the Northumberland Local Governing Board starting by first thanking Governor Shaw and the members of the NCEQI Committee for their hard work this past year which lead to great impact. He noted that the NLGB is keen to dive more deeply into curriculum and quality. He continued noting the work done on governance improvements to improve how the board performs and that they are looking forward to getting the KPI information.

Governance: The Chair asked the Head of Corporate Governance and Policy to explain the process for appointing a Chair and Vice Chair to the Board. The HoCG&P stated that whilst we have

appointed Governor Stuart with the intent for him to become Chair, the Board must formally appoint him at its next meeting. Noting that the Board is without a Vice Chair, she asked for those interested to undertake the role to contact her as the Board should have one. The process includes a member nominating another member to sit as Chair or Vice Chair in writing with another member seconding the nomination.

AGREED: to note the contents of the updates

Bd/21-22/11 Recommendations from Committees

The Head of Corporate Governance and Policy delivered the report noting the items to be ratified, approved, accepted and acknowledged.

The Board agreed to the following:

- Ratify the use of the Chair Authority to approve the Staff Code of Conduct
- Approve the following Committee recommendations
 - Appointment of member of Phil Smith to the Board of Corporation
 - Lead Governor Programme 2021-22
 - Recruitment of Principal NC
 - Local Government Pension Scheme Policy
 - Child Protection and Safeguarding Policy
 - Disestablishment of the Northumberland College Education Quality and Innovation Committee
- Accept the following papers
 - Register of Interests 2021-22
 - DAO Letter from ESFA
 - Safeguarding and Prevent Annual Report 2020/21

Bd/21-22/12 Any Other Business

There were three items of other business:

- The COO stated that he is seeking approval to surrender of deed of the building being leased in Hexham. He continued that the facility has not been used since before merger, is costing the Group £20k per year and there is a break clause that came into effect in September. He stated that it has been negotiated with the landlord that the Group can leave the premises without needing to pay for dilapidation resulting in a good financial savings for the Group. After short discussion, the Board agreed to the execution of the deed of surrender.
- The CE announced that the Executive Leadership Team has adopted the International Holocaust Remembrance Alliance definition of 'antisemitism' as was requested by the Office for Students. The definition is included in a statement on the college websites. She continued that the Board needs to approve this as well and that approval will be sought electronically.
- The HoCG&P announced that the CE will be colouring and cutting the COO's hair in the next few weeks to raise funds for the SEND student sensory garden at Bede. She continued that donations are being sought and a Just Giving page link will be sent around. The event will be

recorded and shared with staff on WorkPlace and she will be happy to share a link to the video with governors.

Bd/21-22/13 Date, time and venue of next meeting

- Tuesday 14 December 2021 at 6:00pm in the Conference Room, Washington Campus

Bd/21-22/14 Draft Minutes of the following Committees

- NC Education Quality and Innovation Committee (23 September 2021)
- Sunderland Local Governing Board (28 September 2021)
- Northumberland Local Governing Board (30 September 2021)
- Governance Committee (4 October 2021)

There being no further business the meeting adjourned at 19:57.