

FE Corporation Minutes

Meeting held on Thursday 10th December 2020 at 5.30pm via Zoom

Governors: Sam Beel, Stuart Blackett, Phil Cook (Chief Executive and Group Principal), Louise Davies, Martin Gray, Ethan Harper, Katy Ludgate, Rob Mitchell, Richard Poundford, Dot Smith (Chair, Standards Improvement Committee), Anne Vickers, Mark White (Chair) and Gary Wright.

Officials: Phil Blewitt (MD NETA), Liz Boynton (Group Director of Quality), Abigail Clay (Interim Group Head of Student Services), Jason Faulkner (College Principal, RCC), Lesley Graham (College Principal, SRC), Phil Hastie (Group Executive Director Planning and Infrastructure), Erika Marshall (Group Director of Marketing), Gary Potts (Group Vice Principal Business, Innovation and Partnerships), Fiona Sharp (Group Executive Director Finance), Kay Taylor (Group Director of HR), Sarah Thompson (Clerk to the Corporation) and Sam Young (Governance Support Officer).

Apologies: Subhash Chaudhary, Russ McCallion, Aman Toor and Norma Wilburn

Mark White declared an interest as independent Chair of the Thornaby Town Deal Board.

20/87 **Agenda Item 1 – Strategic Update (including COVID-19 impact)**

The Chief Executive gave a verbal Strategic Update, accompanied by a presentation. He highlighted that Performance Review (PR) 3 was currently taking place and that the Master Targets File had recently been circulated to governors giving them assurance of the robustness of target setting. He outlined current partnership work with Teesside University, the opportunities afforded by the successful Teesworks bid, progress on the Tees Valley Industrial Skills Institute (TVISI) and the Town Deals in Thornaby and Redcar. He also presented a high-level overview of initial results from the recent Annual Staff Survey and emphasised that the positive results, distance travelled and benchmarking against other colleges were a commendation to leadership and management. Results would be analysed at departmental level during PR6 and he underlined the importance of both sharing best practice and gaining an understanding of any trends behind less positive responses. The results and high levels of participation indicated that the Group was considered a Great Place to Work by many staff.

In response to a governor's question, the Chief Executive confirmed that comments received from staff in the survey would also be followed up by senior managers and heads of department.

Governors **noted** the update.

Governors agreed to bring agenda item 5 forward.

20/88 **Agenda Item 5 – Safeguarding Update and Policy**

The Chair explained that Abigail Clay had joined the Group as Interim Group Head of Student Services and thanked her for her contribution to the Ofsted Interim Visit. He also reminded governors of their statutory responsibility for Safeguarding.

5.1 – Safeguarding Update

The Interim Group Head of Student Services presented the previously circulated update and explained that the report provided governors with both a strategic and operational focus; future papers would reflect the journey for the department, with a strong focus on student mental health initiatives. She commented on the robustness of the recent internal audit which had resulted in positive feedback, particularly for the high quality of the random sample of student records audited, demonstrating the impact of the Vulnerable Learner sub-group. She also highlighted the mental health and well-being action plan, the Mental Health Trailblazer programme at Bede, a trial of e-safe to improve internet monitoring, and the regular meetings with local authorities focusing on vulnerable learners. She added that high levels of training ensured that the team were well-prepared and taking a proactive approach to mental health concerns and the impact of COVID-19. The recent audit of the Single Central Record (SCR) had not identified any concerns.

A governor asked if the Trailblazer programme would be rolled out across the Group and possibly extended to work with secondary schools. The Interim Group Head of Student Services explained that the Trailblazer partnership was currently limited to the Billingham area and incorporated Bede Sixth Form College and local primary and secondary schools. A governor added that Stockton-on-Tees Borough Council (SBC) had initially bid for this pilot which covered only the Billingham area but were keen to roll out the programme to other areas and possibly extend to work with the NHS. The College Principal Redcar & Cleveland College (RCC) confirmed that a meeting on mental health initiatives had been held with representatives from both SBC and Redcar & Cleveland Borough Council (RCBC).

5.2 – Safeguarding Policy

Governors **approved** the updated Safeguarding Policy for publication on the Group's website and the Clerk **agreed** to add the Safeguarding policy to the Cycle of Business for the first Corporation meeting in subsequent academic years.

Abigail Clay left the meeting.

Agenda Item 2 – College Performance 2019-20

20/89

2.1 – FE Self-Assessment Report

The Group Director of Quality highlighted that the FE Self-Assessment Report (SAR) had been revised to reflect the different nature of the previous academic year; progress pre-lockdown, the response to lockdown and key financial and quality outcomes indicated that progress had been made against targets. She added that the SAR, including judgements and proposed grades, had been reviewed by the Standards Improvement Committee and members had recommended that Corporation approve the SAR and proposed Group grades of 'Good' for overall effectiveness, key aspects and types of provision. The Chair of the Standards Improvement Committee confirmed that the committee had discussed the SAR in detail and had been impressed by the outcomes achieved in a year impacted by COVID-19, with most data above 2018-19 national rates (NR).

Governors **approved** the 2019-20 Group FE Self-Assessment Report and the proposed Group grades of 'Good' for overall effectiveness, key aspects and types of provision.

20/90 2.2 - Final Performance against 2019-20 Targets

The Group Director of Quality explained that the final position on Group performance detailed in the report was broadly unchanged from that presented to Corporation in October. She added that progress against targets had been pleasing though it had not been possible to report progress against all 2019-20 targets due to the unavailability of national comparison data.

In response to a governor's question about [redacted] possible areas for concern, the Group Director of Quality explained that these achievement rates had been impacted by basic skills reforms and COVID-19, respectively. With no NRs available for 2019-20, these would be compared against data available through MiDES (the Market Intelligence Data Exchange Service available to Association of Colleges' members) to provide an indication against national trends; the outcomes of this comparison would be reported through the Standards Improvement Committee. The Chief Executive added that these were areas of focus in two of the 2020-21 Group Improvement Plans.

Governors **noted** the update.

20/91 Agenda Item 3 – Group Improvement Plans

The Group Director of Quality highlighted that the focus of the Group Improvement Plans (GIPs) each year was identified through the SAR process; the report outlined progress against the six 2019-20 GIPs and the five proposed GIPs for 2020-21. She added that the 2020-21 GIPs were currently going through final review and would be circulated with the papers for the Corporation meeting to be held in January 2021.

Governors **approved** the focus of the Group Improvement Plans 2020-21.

20/92 Agenda Item 4 – Master Target File and Quality Targets

The Group Executive Director Planning and Infrastructure confirmed that the previously circulated report gave an overview of the robust and transparent process through which departmental business plans were developed; these were published in the Master Targets File (MTF) which had been circulated electronically to governors. He added that the quality and financial targets provided the cornerstone for the Business Planning (BP) and Performance Review (PR) process.

A governor referred to discussion at the last Standards Improvement Committee meeting of instances of performance equivalent to or higher than NRs but below the MTF target. The Group Executive Director Planning and Infrastructure explained that targets were based on both NRs and previous performance. The Group Director of Quality added that these targets, based on the patterns and trends of previous years, helped to drive improvement in the organisation and that, in light of the impact of COVID-19, qualification reforms and the lack of NRs for 2019-20, MiDES reports would also be used to inform targets for 2020-21. A governor commented that electronic circulation of the MTF this year had resulted in less environmental impact and better data security and the Group Executive Director Planning and Infrastructure confirmed that this would now be standard practice.

Governors had **received** the Master Targets File electronically in advance of the meeting and **agreed** the Quality Targets for 2020-21.

Agenda Item 6 – Stakeholder Feedback

20/93 6.1 – Learner and Parental Feedback

The Group Director of Quality highlighted that the learner survey schedule had been revised for the start of the year to provide early feedback and reflect the learner voice in Group plans through this period of change; responses and results had been positive. The response rate to the online parent / carer survey had been disappointing; results had been discussed through PR3 meetings and a follow-on survey would take place in January 2021 to determine the impact of actions taken as a result.

Governors **noted** the report on learner and parental feedback.

20/94 6.2 – Employer Feedback

The Group Vice Principal Business, Innovation and Partnerships highlighted the high levels of employer satisfaction evidenced in both external and internal feedback, which had been maintained over the year and demonstrated the strength of the Group's external relationships with employers. External feedback through the *Apprenticeship Service* webpages developed by the Education and Skills Funding Agency (ESFA) had been benchmarked against other Tees Valley colleges, with Etc. the only provider rated 'Excellent'. Stakeholder feedback during the Ofsted Interim Visit and an employer forum held in November had also confirmed high levels of employer satisfaction.

Governors **noted** the update and the Chair congratulated the Business Development Team on the positive employer feedback.

20/95 Agenda Item 7 – Finance Update including ESFA Cashflow Submission

The Group Executive Director Finance confirmed that the previously circulated update outlined the revised ESFA reporting requirements; the template and commentary submitted on 27 November 2020 had been included, with no concerns identified. Variances against the July cashflow forecast had been explained, including the capital grant received from the Department for Education (DfE) in September.

A governor asked if the Group Executive Director Finance had any concerns about the level of cash days (41) forecasted for July 2021 and she explained that the ESFA trigger point was 10 cash days and that the average over the year had been 60. She added that historically 25 cash days had been a benchmark in the FE sector.

Governors **noted** the update.

20/96 Agenda Item 8 – Corporation Minutes and Actions

9.1 – To agree the minutes of meetings held on 22 October 2020

Minutes of the meeting held on 22 October 2020 were formally **approved** as an accurate record of the meeting.

9.2 – To consider progress against actions and any matters arising

The Clerk confirmed that all actions due had been completed. She gave a verbal update on behalf of the College Principal Bede to clarify the definition of 'self-abuse' and an explanation of the increase in reported incidents on CPOMS (Child Protection Online Monitoring and Safeguarding system); there had been some instances of mis-coding during initial use of CPOMS but the increase

had been mainly as a result of the rise in poor mental health and self-harm amongst young people, both locally and nationally. Governors **noted** progress against actions.

20/97 Agenda Item 9 –Subsidiary Company Board / Committee meetings and recommendations

The following committee meetings had taken place since the last Corporation meeting and key themes had been outlined in the covering report and were **noted** by governors. Draft minutes for all meetings would be made available on BoardPacks following approval by the Board / Committee Chair. Governors considered recommendations from committees and subsidiary company boards.

9.1 – Remuneration Committee held on 12 November 2020

The Chair of the Remuneration Committee reported on the positive discussions at the meeting and noted that all recommendations from the meeting had been subsequently considered and approved by the Finance and Employment Committee.

9.2 – NETA Board meeting held on 13 November 2020

The NETA MD highlighted the positive start to the year for NETA and invited governors to a NETA strategic update presentation to be held before the next Corporation meeting on 14 January 2021. The NETA Board was planning a strategic ‘away day’ to consider medium term planning including estates strategy.

9.3 – Tees Valley Catering (TVC) Board meeting held on 13 November 2020

The Group Executive Director Finance reported on TVC’s pleasing financial results for 2019-20 and on how well TVC operations were coping with current challenges, under the leadership of the Group Head of Estates and TVC Operations Manager.

9.4 – Audit Committee meeting held on 26 November 2020

The Chair of Audit Committee commented on a successful year for the committee and on the value added by both the internal auditors (AuditOne) and external auditors (RSM); a focus of the committee was the increased importance of cyber security. A member of the committee commented on the open and active participation in discussions at meetings.

9.5 – Standards Improvement Committee meeting held on 19 November 2020

The Chair of the Standards Improvement Committee outlined the key themes of the meeting; she added that she and other committee members had participated in online learning walkthroughs and that all governors were welcome to arrange walkthroughs by contacting the Clerk in the first instance.

9.6 – Joint Audit and Finance and Employment Committee meeting held on 26 November 2020

The Chair of the Audit Committee confirmed that he had chaired the Joint meeting this year at which the final accounts had been considered. He added that Claire Leece, Partner at RSM, had formally recorded thanks to the Etc. Finance Team for their assistance during the external audit process.

9.7 – Finance and Employment Committee meeting held on 26 November 2020

The Vice Chair of the Finance and Employment Committee highlighted that the committee had reviewed the Monthly Management Accounts (MMAs) for period 2 which had presented a positive financial position. The Group Director of Marketing had presented an update on student recruitment which, despite uncertainties presented by COVID-19, was also positive. There had been an update on the Environmental Strategy and recommendations from the Remuneration Committee had been approved.

Governors **noted** the feedback from committee meetings.

20/98 9.8 - Recommendations from Committees

Governors **noted** the recommendations from committees that had been included as agenda items for this meeting. In addition, governors **agreed**:

- i) the proposed amendments to Remuneration Committee terms of reference as listed in Appendix A to the report;
- ii) changes to the Internal Audit Programme for 2020-21 (to replace the Network Management audit with an audit on Cyber Incidence Response Planning and to replace the Cyber Security audit with an audit on Bring Your Own Device Mobile Controls);
- iii) changes to the Financial Regulations as listed in Appendix B to the report;
- iv) continuation of the contract with RSM for the audit of the 2020-21 final accounts;
- v) the letter of engagement in respect of RSM;
- vi) revised subcontracting levels.

20/99 Agenda Item 10 – Annual Reports and Final Accounts 2019-20

The Group Executive Director Finance confirmed that the accounts and annual reports had been considered in detail at the Joint meeting of the Audit and Finance and Employment Committees. She explained that, due to the increased risks of COVID-19, RSM's going concern procedures and conclusions were subject to independent review by a second RSM partner, which was currently underway. She confirmed that there were no concerns and that this was simply a timing issue; with all college accounts subject to this second review, the process was taking longer than anticipated. The draft audit findings report had been included in papers under agenda item 10.5 and would be finalised once the second review had been completed; there were no areas of concern and it was pleasing to note a clean audit findings report, despite the challenge of a remote audit process.

The Group Executive Director Finance asked governors to note the draft accounts and reports and to agree to delay approval and final sign off until the January Corporation meeting.

20/100 10.1 – Approving annual report and final accounts for the Education Training Collective for year ending 31 July 2020

The Group Executive Director Finance had summarised the accounts in the previously circulated report and confirmed that the operating position had been in line with the ESFA's financial plan in relation to merger with RCC. The Local Government Pension Scheme (LGPS) adjustments had resulted in an increase in the pension deficit and had similarly affected all colleges. Audit and Finance and Employment Committee members had considered the assumptions of the actuary and recommended that no amendments to the assumptions be requested. Governors **approved** the actuarial assumptions in relation to the valuation of the LGPS for inclusion in the accounts. Governors **approved** the annual report and final accounts for the Education Training Collective for the year ending 31 July 2020, subject to any minor changes, and going concern and audit review.

20/101 10.2 – Receiving final accounts for NETA Training Trust for year ending 31 July 2020

The final accounts for NETA Training Trust showed an operating surplus for the year and had been approved for consolidation into the Etc. accounts for the year at the NETA Board meeting held on 13 November 2020. The final accounts had been approved by the NETA Board for sign off, subject to going concern and audit review. Governors **noted** the final accounts for NETA Training Trust for the year ending 31 July 2020.

20/102 10.3 – Receiving final accounts for Tees Valley Catering for year ending 31 July 2020

The final accounts for TVC also showed an operating surplus for the year and had been approved for consolidation into the Etc. accounts for the year at the TVC Board meeting held on 13 November 2020. The final accounts had been approved by the TVC Board for sign off, subject to going concern and audit review. Governors **noted** the final accounts for Tees Valley Catering for the year ending 31 July 2020.

20/103 10.4 – Receiving annual report and final accounts of Stockton and Billingham College Developments Ltd for year ending 31 July 2020

The Group Executive Director Finance confirmed that there had been no activity during the year but that Stockton and Billingham College Developments Ltd was retained by the Group in case of any future capital project needs. Governors **noted** the annual report and final accounts of Stockton and Billingham College Developments Ltd for the year ending 31 July 2020.

20/104 10.5 – Draft audit findings reports for Etc. and management representation letters

Governors **noted** the draft audit findings reports for Etc. and letters of representation in respect of RSM and **agreed** to consider approval of the final audit findings report and signature of the management representation letters at the Corporation meeting to be held in January 2021.

Governors commented on the continued strength and positive performance of the Group as reflected in reports to this meeting, stakeholder feedback and national recognition for the Prince's Trust Team at the Pearson National Teaching Awards; the Chair of Audit Committee added that he had recently attended the Prince's Trust end of term presentations and felt privileged to have seen the impact of their work on individuals and local communities.

20/105 Agenda Item 11 – Strategic Conference

The Group Vice Principal Business, Innovation and Partnerships, as lead for the Strategic Conference, confirmed that the objectives of and draft programme for the conference had been circulated with the papers; the conference would be held on a single day due to the need for it to be held remotely. He was pleased to announce David Hughes, Chief Executive of the Association of Colleges (AoC), as this year's keynote speaker. Governors **approved** the aims and objectives of the Governors' Strategic Conference to be held on 5th February 2021.

20/106 Agenda Item 12 – Governance Issues

12.1 - NETA Articles of Association

The Clerk confirmed that the proposed amendments to the NETA Articles of Association had been recommended to the Corporation by the NETA Board and that the provision for members to usually serve a maximum of nine years was in line with Charities Commission guidance. Governors **ratified** the amended Articles of Association for NETA Training Trust.

20/107 12.2 - Annual Remuneration Report

The Clerk highlighted the confidential nature of the Annual Remuneration Report which had been agreed by the Remuneration Committee in line with AoC's Senior Post Holder Remuneration Code, adopted by the Corporation in October 2019. This was accompanied by the public Remuneration Statement recommended for publication alongside the Annual Accounts in early 2021. Governors **noted** the Annual Remuneration Report and **agreed** the Annual Remuneration Statement for publication, alongside the Annual Accounts.

20/108 12.3 - Governance Self Assessment

The Clerk explained that the self-assessment questionnaire for the 2019-20 academic year had focused on the effectiveness of remote / online governance and that outcomes had been considered by the Search and Governance Committee at their October meeting. Particular consideration would be given to the continued use of remote/virtual meetings and the appropriateness of shorter, more frequent meetings as part of the planning for the 2021-22 calendar of meetings. Governors **noted** the feedback and issues arising from the governance self-assessment 2019-20.

20/109 12.4 - Governance Update

The Clerk had circulated a report outlining attendance at Corporation and committee meetings and other governance events, governors' participation in a range of training and development opportunities and the work of the Independent Commission on the College of the Future (ICCF). Governors gave verbal feedback on recent conferences and webinars attended, including the Education and Training Foundation's (ETF's) Staff Governor Conference and AoC webinars on college finance and preparation for Ofsted's Education Inspection Framework (EIF).

Governors also outlined their participation in virtual learning walkthroughs undertaken with the support of the Teaching and Training Manager which had incorporated the different delivery modes, subjects and levels, across campuses; governors commented on the confidence of learners and staff with technology and the stimulating delivery by tutors. The Clerk thanked governors for their attendance and involvement; written feedback on the conferences and webinars attended by governors would be circulated with the next Governors' Digest.

Governors **noted** the high levels of attendance at meetings of the Corporation and its committees, feedback from governors' training and development events and national governance issues.

20/110 Agenda Item 13 – Any Other Business

The Group Director of Marketing notified governors of the slightly different format to the Christmas Staff Seminar to be held the following week. It had been agreed that there would be no staff awards ceremony given the exceptional circumstances of Covid and the challenge in identifying particular individuals when all had stepped up to the challenges; the seminar would be made available for governors to watch.

20/111 Agenda Item 14 – Approval of Documents for Public Inspection

It was **agreed** that the agenda and supporting documents of the current meeting be made available for public inspection with the exception of: the reports for Agenda Items 2, 3, 4, 5.1, 6, 7, 10.5, 12.2 (Annual Remuneration Report only) and 12.3 which were considered commercial in confidence; and the annual reports and final accounts which would be published when finalised. Minutes would be made available following approval and consideration at the next meeting.

20/112 Agenda Item 15 – Date, time and venue of next meeting

Thursday 14 January 2021, 5.30 pm, to be held remotely

20/113 Agenda Item 16 - Key Themes

- Headline results from the Staff Survey shared and positive impact of the Great Place to Work Strategy noted
- Safeguarding Policy approved

- 2019-20 Group FE Self-Assessment Report, including Group grades of 'Good' for overall effectiveness, key aspects and types of provision approved
- Final performance against 2019-20 targets considered and the focus of the 2020-21 Group Improvement Plans approved
- Master Targets File quality targets for 2020-21 approved
- High levels of employer satisfaction noted
- Annual reports and accounts for Etc. and subsidiary companies approved subject to going concern and audit review, with final sign-off to be agreed at the January Corporation meeting
- Amended NETA Training Trust Articles of Association ratified
- Annual Remuneration Report, including statement for publication, approved

(The meeting ended at 7.15 pm)

Approved at a remote meeting held on 4 March 2021