

FE Corporation Minutes

Meeting held on Thursday 9th December 2021 at 5.30pm, via Teams

Governors: Fabienne Bailey, Stuart Blackett (Corporation Vice Chair and Chair of Audit Committee, Remuneration Committee and Capital Group), Subhash Chaudhary, Phil Cook (Chief Executive and Group Principal), Louise Davies (Chair of Finance and Employment Committee), Katy Ludgate, Rob Mitchell (Chair of Search and Governance Committee and Equality and Diversity Link Governor), Dot Smith (Chair of Standards Improvement Committee), Anne Vickers, Mark White (Corporation Chair), Mark Wilson and Gary Wright (Careers Link Governor).

Apologies: Rachel Beeken, Sam Beel, Paige Costello and Martin Gray

Officials: Phil Blewitt (Managing Director NETA), Jason Faulkner (College Principal, Redcar and Cleveland College), Lesley Graham (College Principal, Stockton Riverside College), Phil Hastie (Group Executive Director Planning and Infrastructure), Erika Marshall (Group Director of Marketing), Gary Potts (Group Vice Principal Business, Innovation and Partnerships), Ben Robinson (College Principal, Bede), Fiona Sharp (Group Executive Director Finance), Kay Taylor (Group Director of HR), Sarah Thompson (Clerk to the Corporation) and Sam Young (Governance Support Officer).

In attendance: Claire Leece (Audit Partner RSM) for agenda item 1 only

The Chair informed governors and officials that, due to her recent appointment as Vice Principal Engagement at the University of the Highlands and Islands, Jen Vanderhoven had regrettably resigned as an Etc. Governor; he extended thanks and best wishes to her on behalf of the Board.

Under agenda item 1, governors noted that Mark White and Rob Mitchell declared an interest as members of the Local Government Pension Scheme.

21/95 Agenda Item 1 – Annual Reports and Final Accounts 2020-21

The Group Executive Director Finance explained that the Post 16 Audit Code of Practice (ACOP) had been revised for 2021-22 to include a responsibility that external auditors present their findings annually at a meeting of the board of governors and welcomed Claire Leece, Audit Partner RSM, to the meeting.

She added that, as also stipulated in the Post 16 ACOP, the Audit Committee Annual Report and Internal Audit Annual Report would be submitted to the Education and Skills Funding Agency (ESFA) alongside the Annual Reports and Final Accounts, following Corporation approval. As the final accounts of subsidiary companies had been approved by their respective boards for consolidation into the Etc. accounts, the Corporation was asked to approve the Group consolidated accounts and note the subsidiary accounts. The annual reports and final accounts had also been considered at the joint meeting of the Audit and Finance and Employment committees on 25th November, with the details of RSM's Audit Findings report presented to the committees by Suzanne Wilson, Audit Manager RSM.

The Group Executive Director Finance presented key headlines from the Etc. annual report and final accounts. The annual report showed a good closing position for the year with an operating surplus of £427k and, after the negative pension reserves position the previous year due to a loss on the actuarial valuation, there had been a moderate actuarial gain this year and the reserves had returned to a positive position. The bank covenants had been compliant at year end and RSM's audit findings report had been positive.

In response to a governor's request for clarification, the Group Executive Director Finance explained that Stockton and Billingham College Developments Ltd. had last traded during construction of the sixth form and sports centre at Billingham and that it had been retained as a dormant, wholly owned subsidiary of Etc. for possible future construction and site development purposes. A final retention payment remained outstanding.

A governor asked if there could be a point at which the pensions liabilities would become a financial risk for the Group, rather than an accounting matter. The Audit Partner RSM explained that the pensions liabilities in the accounts were associated with actuarial valuations obtained from the Teesside Local Government Pension Scheme (LGPS) every three years and updated at each balance sheet date; the Group would not be required to pay off this liability. The most important consideration was the Group's ability to meet their monthly employer contributions to the LGPS; a review of contribution rates was due in March 2022 to be implemented for March 2023, with contribution rates based on a long-term forecast. The Group Executive Director Finance added that feedback from other college finance directors suggested that the Teesside LGPS was well-managed, with some colleges required to contribute deficit payments in addition to monthly employer contributions; Etc.'s employer contributions to the LGPS were currently just over 15% in comparison to some colleges with employer contributions of over 20%.

In response to a governor's question, the Audit Partner RSM highlighted that this year's audit had been the smoothest yet; the audit team had reported that response times to queries had been excellent and that, with audit work prioritised by the Group Executive Director Finance and her team, the audit had run to schedule. The Group Executive Director Finance added that the audit had also run smoothly from Etc.'s perspective particularly as some members of the finance team had been involved in the year end audit process for the first time.

The Independent Auditor's Report on the Financial Statements confirmed RSM's opinion that the financial statements gave a true and fair view of the affairs of the full Group and of Etc. as at 31 July 2021 and of the Group's and Etc.'s deficit of income over expenditure for the year then ended; and that they had been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

In response to a governor's question about the Board's responsibilities in the coming year, Claire Leece suggested that there should be a formal handover between the outgoing and incoming Corporation Chairs as part of the Chair Designate's due diligence for signing the 2021-22 accounts and that a written record of this should be presented to the Corporation. The Clerk then outlined the structured handover process for the Chair Designate over the coming year, including attendance at Chair and Chief Executive meetings and his appointment as chair of several committees.

Governors:

- i) **received** the Audit Committee Annual Report and Internal Audit Annual Report and **agreed** their submission to the Education and Skills Funding Agency alongside the annual report and final accounts;
- ii) **approved** the annual report and final accounts for the Etc. for the year ending 31 July 2021 (Group consolidated accounts);
- iii) **received** the financial statements for NETA Training Trust (consolidated) for the year ending 31 July 2021 for inclusion in the Group consolidated accounts;
- iv) **received** the annual report and final accounts for Tees Valley Catering for the year ended 31 July 2021 for inclusion in the Group consolidated accounts;
- v) **received** the annual report and final accounts for Stockton and Billingham College Developments Ltd. for the year ended 31 July 2021 for inclusion in the Group consolidated accounts;
- vi) **received** the audit findings reports for Etc., NETA Training Trust and Tees Valley Catering and **approved** management representation letters for signature;
- vii) **approved** the updated letter of engagement for the financial statements auditors for signature;
- viii) **received** the Annual Remuneration Report and **agreed** the Annual Remuneration Statement for publication on the Group website alongside the annual report and final accounts. The Clerk highlighted that this was a requirement of the Association of Colleges' Senior Post Holder Remuneration Code, adopted by the FE Corporation in 2019.

The Chair thanked RSM for their work and their engagement with the Board and requested a meeting with the Audit Partner RSM before the end of his term of office; he also thanked the Group Executive Director Finance and the Finance team for their work. The Chair of the Audit Committee highlighted that at their last meeting both committee members and the internal auditors had recognised the strength of control frameworks and organisational culture at Etc.; he added that he had written to thank Richard Poundford and Norma Wilburn for their contribution to the work of the Audit Committee during 2020-21.

Claire Leece left the meeting

21/96 Agenda Item 2 – Higher Education Self Evaluation Document, Progress Update and Higher Education and Skills Strategy

The College Principal Stockton Riverside College (SRC), also Strategic Lead for Higher Education (HE), presented the HE Self Evaluation Document (SED) and progress update and highlighted that the SED and HE Development Plan had been considered at the last Standards Improvement Committee meeting and recommended for Corporation approval. These documents were used internally to drive quality improvement and shared with Teesside University and with the Quality Assurance Agency (QAA) in advance of their inspections, with the next one scheduled for the following academic year.

[REDACTED]

During 2020-21, eight courses had been newly developed or undergone periodic review, four courses had been closed and one had had a change of title; the three quality enhancement visits, which provided external monitoring during the year, had all been positive. Group HE performance had been considered against the QAA Quality Review Visit Handbook which had confirmed that

the Group had 'Confidence' in its HE provision in relation to both academic standards and the quality of the learner academic experience.

The Chair of the Standards Improvement Committee thanked the College Principal SRC for the comprehensive and detailed report to the committee and noted that there had been some impact from COVID-19 particularly on part-time students. She added that, following the last Standards Improvement Committee meeting, she had gained assurance at a meeting with the College Principal SRC and the Group Head of Higher Education and Skills to discuss the development plan.

A governor asked about the importance of recruitment to Access to HE programmes in creating a pathway to the Group's degree programmes. The College Principal SRC explained that the focus of the HE SED was on provision at Level 4 upward but agreed that progression from Access (Level 3) courses to Level 4 was important. The College Principal Redcar and Cleveland College (RCC) highlighted that a degree in renewables was under development with Teesside University and that this could require development of an Access offer.

The Careers Link governor highlighted the excellent positive destination rate of 91.1% and the Chair asked the College Principal SRC to pass on the Board's thanks to the HE team.

Governors **approved** the 2020-21 Higher Education Self-Evaluation Document and Development Plan and **approved** the Higher Education and Skills Strategy.

21/97 Agenda Item 3 – Equality, Diversity and Inclusion Annual Report

The College Principal Bede explained that the Group was required to publish information on how it ensures equality in its operations and how services comply with its duties under the Equality Act 2010 as a public sector organisation; the Equality and Diversity Annual Report provided an overview of the Group's work in this aspect each year and he thanked the Interim Group Head of Student Services and the Group Director of HR and their teams for all their work on the report.

The Equality and Diversity link governor confirmed that he would be attending the Equality and Diversity (EDI) Group meeting the following day. He commended the strength of the work in this area from staff and had been pleased that, from the seven challenging objectives set for the previous year, only the objective to launch the Rainbow Flag Award had not been fully achieved, but was in progress. Having been recently appointed to the role of link governor, he explained that he hoped to explore how governors could help with equality objectives and to feedback issues of which governors should be aware from the staff EDI group. It had been particularly pleasing to see the percentage of students identifying as gay or lesbian, bisexual and transgender which demonstrated an open culture within the Group. He also commented on the Student Success Stories book which had been distributed to governors and, particularly, the number of female engineers and the varied backgrounds and ethnicities of the students featured in case studies.

A governor also commented on the way in which the annual report demonstrated the Group's supportive culture and asked if there would be further analysis of the gender pay gap. The Group Director of HR explained that a gender pay action plan would be developed to look at this in depth and that the Group Head of HR was intending to put together a small working group on staffing from members of the EDI Group. She added that the gender balance in some of the areas of the Group with traditionally lower wage levels, such as estates and catering, did have an impact on gender pay gap data.

A governor asked if there had been any further analysis on the disparity between higher attendance rates, but lower achievement, amongst minority groups and the College Principal Bede explained that interrogating this data would be a focus of the 2021-22 EDI objectives.

In response to a governor's question about the possibility of benchmarking the data tables against the region and the sector, the College Principal Bede explained that some data was not easily accessible but that this would be considered.

A governor asked if the data in the appendices was available at campus level and whether, if not published in the annual report, the data was monitored at individual college level; the College Principal Bede confirmed that the data was available at this level, but not included in the annual report. The Chief Executive added that the EDI annual report contained data at a high level and set out the Group's objectives but that data was reported and monitored at college, department and course level.

A governor noted that it was important for the Corporation to assess whether its membership was representative of the diversity of the students served by the Group and the Corporation Chair suggested that this should be discussed at the next meeting of the Search and Governance Committee.

In response to a governor's question, the Group Director of Marketing explained that success stories were widely communicated, including to parents and Year 11 school students, through social media channels and on posters around college sites.

Governors **approved** the Equality and Diversity Annual Report 2020-21 for publication on the Group's websites.

21/98 Agenda Item 4 – Quality Performance and Targets 2021-22

The Group Executive Director Planning and Infrastructure introduced the previously circulated report from the Interim Group Director of Quality; Group performance in 2020-21 compared favourably against national rates (NR) but governors should note that the comparison data was from 2018-19 and was therefore becoming outdated. Proposed master targets had been outlined in the report for approval by governors and the Master Targets File 2021-22 had been shared with governors through Board Packs. The in-year position in terms of both retention and attendance rates was generally positive; monitoring processes for 'at risk' areas had been reviewed at Performance Review 3 (PR3) which had confirmed that timely interventions were addressing areas of concern.

Governors **noted** the report and **approved** the proposed 2021-22 quality master targets.

21/99 Agenda Item 5 – Strategic Update

The Chief Executive gave a verbal strategic update. The Education and Skills Funding Agency (ESFA) was currently holding strategic conversations with colleges and a pilot of external governance reviews had been completed. The current focus was on several strands - enhanced collaboration, business engagement, teaching and learning, the green agenda and working from home. Governors would have an opportunity to consider systems leadership at the February conference.

He also highlighted that the annual staff survey had been completed in December. The Group Director of HR shared headline data; there had been a pleasing response rate of 90% and the QDP tool currently allowed benchmarking against 55 other colleges. There had been 612 responses to 59 questions across key areas and headlines would be published on Etc. websites; [REDACTED] The survey results would be presented to the Senior Management Team (SMT) and then reviewed in more detail through the Performance Review (PR) process; a full report would be considered by the Finance and Employment Committee and then the FE Corporation, and there would also be a chance to consider survey outcomes at the Governors' Strategic Conference in February as part of updates on the Great Place to Work Strategy..

A governor asked how, with such a positive set of results, issues were identified; the Group Director of HR explained that more analysis would be done on the range of responses and that results would be analysed at site and department level. For example, the mini-survey in May 2021 had given clear indications on staff access to technology. The Chief Executive added that the results were a commendation of the tone set by senior managers and how this drove staff behaviours.

Governors **noted** the strategic update and the positive headline results from the staff survey.

21/100 Agenda Item 6 – Strategic Development Fund

The Group Vice Principal Business, Innovation and Partnerships presented an update on the Strategic Development Fund (SDF) project; the presentation had been circulated with the meeting papers.

He explained the policy context of the Skills Accelerator programme which incorporated funding for the Local Skills Improvement Plan (LSIP) Trailblazers and SDF pilots, a core part of delivering the vision of the Skills for Jobs White Paper. In the Tees Valley, the North East England Chamber of Commerce was the Employer Representative Body (ERB) responsible for creating the LSIP, setting out the key changes needed to make technical skills training more responsive to employers' skills needs in the local area. Ideally, SDF projects would be based on these LSIP priorities but, with tight timescales, the Trailblazers and SDF pilots were being run in parallel.

The successful SDF project led by Etc. was based at Teesworks, the largest industrial development zone in the UK, and included a consortium of providers including Darlington, Hartlepool and Middlesbrough colleges, Learning Curve, Teesside University and Redcar and Cleveland Borough Council, alongside Etc. The existing Teesworks Skills Academy partnership, a one stop shop for investors, contractors, local people and partners for training and recruitment needs, had been identified as the vehicle for delivering the SDF project; two projects had been included in the expression of interest, one centred on short term skills needs and the second on medium to longer term needs and the consortium had worked alongside the Chamber of Commerce.

The actual project had been broken down into six smaller projects with individual colleges as leads, each working with identified key sectors. The SDF funding totalled just under [REDACTED], roughly equally split between capital and revenue, with just over [REDACTED] of the funding allocated to Etc. The grant letter had been received in October, slightly later than expected, but the completion date remained 31 March 2022, with a mid point progress report due in December 2021 and final evaluation in April 2022. The first meeting with the Department for Education (DfE) was due to be held on 10 December, with no concerns to be flagged. The project manager and project leads had

all been appointed and project plans, risk registers and income and expenditure tracking were in place; as well as the weekly project manager meetings with leads, there was a monthly SDF working group. Progress would be reported to governors through the Finance and Employment Committee, with regular updates to Corporation.

A governor agreed that this was an excellent project based on a model that was already working and that bringing Teesside together was very much a mayoral aspiration. The Group Vice Principal Business, Innovation and Partnerships agreed that collaboration was a key future policy strand for further education.

In response to a governor's question, the Group Vice Principal Business, Innovation and Partnerships explained that the Group was working closely with the North East England Chamber of Commerce and that he had been invited to be on their LSIP steering group. The Chamber of Commerce's LSIP project manager had also visited Etc. and a positive relationship had developed.

A governor, also a senior manager for Redcar and Cleveland Borough Council, noted that this project would deliver on local skills needed in the Redcar area and reflected the benefits of the merger between Stockton Riverside College and Redcar & Cleveland College. In response to his offer, governors agreed that a tour of the Teesworks site would be valuable and the governor agreed to follow this up with Julie Gilhespie, the Chief Executive of Tees Valley Combined Authority (TVCA).

In response to a governor's question, the Group Vice Principal Business, Innovation and Partnerships noted that, although collaboration did come with challenges such as balancing delivering shared goals with providers' individual agendas, all partners were approaching the SDF project positively.

Governors **noted** the update on the Strategic Development Fund project.

21/101 Agenda Item 7 – Employer Feedback

The Group Vice Principal Business, Innovation and Partnerships had provided an update on employer feedback, which was gathered using several mechanisms - internally, via the employer survey and employer forums and, externally, via the FE Choices survey and the ESFA's 'Find Apprenticeship Training' portal. [REDACTED]. Feedback from the employer forum held in November 2020 had been positive, with comments summarised in the report, and verbal feedback from the forum held on 3 December 2021 had also been positive. Feedback was used to inform improvements, such as changes to the infrastructure of the Business Development Team, support for employers from a full time Digital Apprenticeship Service Administrator and enhanced focus on reporting on the progress of apprentices for delivery teams. Employer engagement was also strong, with employers happy to support and contribute positively.

Governors **noted** the report.

21/102 Agenda Item 8 – Finance Update

The Group Executive Director Finance highlighted that the finance update included a letter from the ESFA in response to the Group's updated College Financial Forecasting Return (CFFR) 2021 to 2023, which had been submitted to reflect the year end actuals; the letter confirmed the current financial health of the Group as Good for 2020-21 and Outstanding for 2021-22. The ESFA's

Finance Dashboard gave a high level overview of the Group's financial performance, showing various Key Performance Indicators (KPIs) and measuring the Group against both target and sector benchmarks. A review of the dashboard, including management responses, had been included in the report and the Group Executive Director Finance highlighted that the staff cost to income ratio would remain an area of focus, particularly with the increases in national insurance employer contributions and the national living wage from April 2022. [REDACTED]

The Monthly Management Accounts (MMAs) to Period 2 had been circulated, with a summary of points to note and the Group Executive Director Finance reported that the new Group Head of Finance would be reviewing the guidance published on best practice in presenting MMAs to identify any areas for improvement.

The Chair of the Finance and Employment Committee commended the Group Executive Director of Finance and her team on the financial health grading; she added that the Business Planning (BP) and Performance Review (PR) process ensured tight financial monitoring and individual responsibility for budgets and that, especially given the financial uncertainties as a result of COVID-19, this was an excellent result. The Board asked the Group Executive Director Finance to pass on their thanks to the Finance team and to welcome the new Group Head of Finance to Etc.

Governors discussed the advisability of strict benchmarking to metrics such as staff cost to income ratios whilst wanting to attract the best staff. The Group Executive Director Finance explained that the ratio was kept under review and that it was important to remain aware of its level whilst ensuring that the Group retained the right staff at the right levels of pay; there would always be some pay cost factors outside the Group's control and the priority was to ensure that the Group could deliver the level of service and quality required. The Group Director of HR added that the PR process had the benefit of giving a rounded view of finance, staffing and quality, though current pressures from market changes and recruitment issues were also having an impact on pay costs. The Chief Executive cautioned that, following a period of growth, some consideration needed to be given to delivering the same quality with a lower staff base cost. A governor noted that the Group offered important add-ons such as generous pensions and the Great Place to Work initiatives which would balance out the fact that colleges did not necessarily pay as well as other sectors. The Group Director of HR agreed and explained that Etc. job advertisements promoted the package on offer, including holiday, sick pay and pensions entitlements, and the Group's culture and tone of voice. The review of the Great Place to Work Strategy, planned to take place from January, would include a focus on recruitment and retention as well as enhanced use of the annual benefits statement on the People First system.

Governors **noted** the confirmed Financial Health grade by ESFA based on the review of the CFFR 2021 to 2023 of Good 2020-21 and Outstanding 2021-22 and **noted** the Monthly Management Accounts for period 2.

21/103 Agenda Item 9 – Safeguarding Update

The Corporation Chair reminded governors of their statutory, non-delegable duty for Safeguarding.

The College Principal Bede presented key points from the Safeguarding report; the Student Services teams had worked hard in partnership with respective local authorities to compile a complete list of vulnerable learners. Table 1 in the report gave a summary of these learners' needs

by campus using the continuum of need framework, with data allowing staff to have a clear understanding of the student body in terms of risk and offer targeted services. A comparison of the proportion of learners with needs meeting the criteria for Level 2 to 4 services by site indicated that, although Skills Academy had seen an increase in the proportion of such learners due to higher recruitment of High Needs learners, other sites had seen a decrease. The team would continue to review the presenting needs of students across the sites and provide a flexible and agile response. In response to an action from a previous meeting, further information on the national picture in relation to domestic violence and the local impact had been included in the update; the Group was making fewer referrals directly but there had been a slight increase in the number of students already engaged with domestic violence services who were being supported. This would continue to be monitored.

The update also included information on student induction and quality assurance of the induction themes; a sample study of student experiences of sexual violence and harassment; E-safe online and networking data for November 2021 and staff information including mandatory training compliance, recruitment checks and the Single Central Record.

A governor asked for clarification of the E-safe alert category 'concerning' and the College Principal Bede explained that these were alerts that could not be included in the other categories but had been picked up as a concern. He added that the software was even capable of picking up keystroke alerts, for example, when typed into Word documents. The Group would shortly be migrating to Smoothwall, a company that had bought E-safe, but that work was in progress with the Group Head of IT to manage the transition and ensure that there were no breaks in cover.

Governors **noted** the update.

21/104 Agenda Item 10 – Corporation minutes and actions

10.1 – To agree minutes of a Corporation meeting held on 19 October 2021 and a Special Corporation meeting held on 25 November 2021

Minutes of a meeting held on 19 October 2021 and a Special meeting held on 25 November 2021 were formally **approved** as accurate records of the meetings. The Corporation Chair thanked the Vice Chair for chairing the special meeting in his absence.

10.3 – To consider progress against agreed actions and any matters arising

The Clerk confirmed that all actions had been completed, were not yet due or would be covered on the agenda for this meeting. Progress against actions was **noted**.

Agenda Item 11 – Subsidiary Company Board / Committee meetings and recommendations

21/105 11.1 – Capital Group meeting held on 10 November 2021

The Chair of the Capital Group commended the value of the group's discussions in preparing the recommendations to the Special Corporation meeting on the business case for the Clean Energy Education Hub project.

11.2 – Remuneration Committee meeting held on 11 November 2021

The Chair of the Remuneration Committee confirmed that the key themes outlined in the report accurately summarised the meeting.

11.3 – NETA Board meeting held on 12 November 2021

The Managing Director NETA highlighted NETA's strong safety and operating performance as reported to the Board, as well as the positive feedback on NETA's financial performance. The Head of Department NETA had also reported on the quality of government funded provision and Ofsted preparations.

11.4 – TVC Board meeting held on 12 November 2021

The Group Executive Director Finance also reported on a positive meeting with directors pleased with the previous year's financial results.

11.5 – Standards Improvement Committee meeting held on 18 November 2021

The Chair of the Standards Improvement Committee outlined the key themes from the last meeting including a presentation from the Redcar & Cleveland College Maths team on blended learning, progress against Group Improvement Plans, subcontracting quality monitoring and feedback from learning walkthroughs, including evidence of the visible impact of support, particularly in student engagement.

11.6 – Audit Committee meeting held on 25 November 2021

The Chair of the Audit Committee reported that feedback from both the internal and external audit providers had been extremely positive.

11.7 – Joint Audit Committee and Finance and Employment Committee meeting held on 25 November 2021

As Chair of this year's joint meeting, Stuart Blackett, reported on an equally positive meeting; recommendations from the meeting for approval by the FE Corporation had been included in agenda items at this meeting.

11.8 – Finance and Employment Committee meetings held on 21 October and 25 November 2021

The Chair of the Finance and Employment Committee reported on the presentation by the Group Learning Resources Manager on the development of a digital vision for the Group which would form the basis of a new Digital Strategy alongside the Group's existing IT Strategy. She reported that the Group had changed insurance provider and that the committee had agreed that insurance cover was at an appropriate level.

Governors **noted** feedback from committee meetings.

21/106 11.9 – To consider recommendations

Recommendations from the Joint meeting of the Audit and Finance and Employment committees and from the Finance and Employment Committee had been circulated with the meeting papers and governors:

- i) **agreed** changes to the Financial Regulations as detailed in Appendix A to the report;
- ii) **agreed** continuation of the contract with RSM for audit of the 2021-22 accounts;
- iii) **agreed** the revised subcontracting levels as presented to the Finance and Employment Committee at their meeting held on 25 November 2021.

Agenda Item 12 – Governance Issues

21/107 12.1 – Strategic Conference

The Group Director of HR, SMT lead for the 2022 conference, outlined the format of the conference; it would be held over a full day on Friday 4 February through to the Saturday lunchtime, with a yoga session to be offered on the Saturday morning. The objectives for the conference had been outlined in the circulated paper and, if agreed by governors, would form the basis for the programme.

A governor asked if the conference could be held remotely if required and the Chief Executive explained that provisional arrangements for this scenario would be made as well as a Plan B should the Group receive notification of an Ofsted inspection on the Friday morning.

Governors **approved** the proposed aims and objectives of the Governors' Strategic Conference.

21/108 12.2 – Governance Self Assessment

The Clerk thanked governors for completing the annual governance self-assessment; outcomes had been detailed in the appendix to the report and had been very positive. Responses identified as requiring action had been outlined, including opportunities for governors to understand more about the learner experience; consideration was being given to further presentations from students at further Corporation meetings or Workshops. Governors were invited to provide further suggestions in response to the self assessment outcomes to the Clerk.

Governors **noted** feedback from the governance self-assessment 2020-21.

21/109 12.3 – Governance Update

The Clerk presented the update which outlined changes to Corporation membership, details of Chair's action taken with regard to an amendment to the Regularity Self Assessment Questionnaire, governor attendance, governor development activities and national governance issues, including draft guidance on external governance reviews and a report on the Equality, Diversity and Inclusion survey commissioned by the Association of Colleges, to which all governors contributed. The Clerk noted that an external governance review would be planned for 2023-24 to allow for the change in Corporation Chair in August 2022. A governor asked about the student governor resignation and the Clerk confirmed that he had resigned for personal reasons.

Governors:

- i) **approved** the appointment of Simon Wood as co-opted member of Standards Improvement Committee for a term of office not exceeding four years;
- ii) **noted** Jen Vanderhoven's resignation as a governor due to relocation and Aaron Calvert's resignation as student governor;
- iii) **formally noted** the Chair's action to agree an amendment to wording in the Regularity Self Assessment Questionnaire;
- iv) **noted** governor attendance at meetings of the Corporation and its committees in 2021-22 to date;
- v) **noted** governors' involvement in a range of training and development opportunities, and college group events, and agreed to notify the Clerk of any specific training needs;
- vi) **noted** the update in respect of national governance matters.

21/110 Agenda Item 13 – Any Other Business

The College Principal SRC informed governors that the VIP performance of Elf on 14th December would be taking place as planned; the Group Director of Marketing would be circulating an email outlining the COVID mitigation measures which would be in place but any governor who did not now wish to attend should contact the College Principal SRC.

There were no other items of additional business.

21/111 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 1.6, 1.7, 1.8 (Annual Remuneration Report only), 2, 4, 6, 7, 8, 9 and 12.2 which were considered commercial in confidence. Minutes would be made available following approval and consideration at the next meeting.

21/112 Agenda Item 15 – Date, time and venue of next meeting

Governor Workshop: Thursday 13 January 2022, 5.30 pm, on Teams

Governors' Strategic Conference: Friday 4 and Saturday 5 February 2022, Gisborough Hall Hotel

FE Corporation meeting: Thursday 10 March 2022, 5.30 pm, Redcar and Cleveland College

21/113 Agenda Item 16 - Key Themes

- Approved the annual report and final accounts for Etc. for the year ended 31 July 2021 (consolidated accounts)
- Approved the Annual Remuneration Statement for publication on the Group website alongside the annual report and final accounts
- Approved the Higher Education Self Evaluation Document and the Higher Education and Skills Strategy
- Approved the Equality and Diversity Annual Report 2020-21 for publication
- Considered Group performance 2020-21 and agreed the Quality targets for 2021-22
- Presentation on the Group-led Strategic Development Fund project at Teesworks
- Considered the Monthly Management Accounts to Period 2 and noted the Education and Skills Funding Agency Financial Health Grade of Good 2020-21 and Outstanding 2021-22
- Appointed Simon Wood as co-opted member of the Standards Improvement Committee for a term of office not exceeding four years and noted the resignations of Jen Vanderhoven as a governor and Aaron Calvert as a student governor

21/114 Agenda Item 17 – NETA Proposals – Confidential Item

This item was deemed confidential to governors (excluding student governors) and members of the Senior Management Team (SMT).

The Managing Director (MD) NETA explained that the circulated paper followed discussions at a NETA Board meeting held on 12 November exploring the benefits of a potential transfer of NETA Training Trust operations directly to the Etc. FE Corporation. This would bring NETA in line with the other colleges in the Group and, as with these colleges, the integrity of the NETA name and brand would be maintained. The building of a fit for purpose facility for NETA was both a key

strategic priority for NETA and the Group, and the key priority of the Group's Property Strategy [REDACTED]

External legal advice on the implications and potential for the transfer of the remaining business activities, assets and staff of NETA Training Trust to Etc had been sought from Weightmans LLC and detailed in the appendix to the report. [REDACTED]

The Corporation Chair commented that the case seemed compelling, though not without challenges, and asked for any governor comments or questions.

[REDACTED]

The Chief Executive confirmed that more detailed work would take place, with regular updates to the Corporation, should governors agree to the strategic intent of the proposal, as outlined in the report.

Governors supported taking the proposal forward for further consideration.

(The meeting ended at 7.30 pm)

Approved at a meeting held on 10th March 2022