

FE Corporation Minutes

Meeting held on Thursday 15th December 2022 at 5.30pm, SRC301, Stockton Riverside College

Governors: Rachel Beeken, Stuart Blackett (Corporation Chair, Chair of Capital Group), Subhash Chaudhary (Chair of Audit Committee), Louise Davies (Chair of Finance and Employment Committee and Vice Chair Capital Group), Elliot Gale (Student Governor), Grant Glendinning (Chief Executive and Group Principal), Vanessa Housley (Vice Chair of Standards Improvement Committee), Lorraine Preston (Staff Governor), Dot Smith (Corporation Vice Chair and Chair of Standards Improvement Committee), Anne Vickers, Mark Wilson and Gary Wright (Safeguarding Link Governor)

Apologies: Fabienne Bailey, Liz Dixon

Officials: Lesley Graham (Executive Principal, Stockton Riverside College and Higher Education), Phil Hastie (Chief Operating Officer), Sean Johnston (Interim Managing Director NETA), Patrick Jordan (College Principal Bede), Erika Marshall (Group Director of Marketing), Fiona Sharp (Chief Financial Officer), Kay Taylor (Group Director of HR and People Development), Sarah Thompson (Clerk to the Corporation), Peter Wood (Group Director of Quality) and Sam Young (Governance Support Officer).

In attendance: Claire Leece (Audit Partner, RSM, for agenda item 5 only), Hope Ubertalli (prospective student governor)

Louise Davies, Lorraine Preston, Gary Wright and Claire Leece joined the meeting via Teams.

22/114 Agenda Item 1 – CONFIDENTIAL ITEM (for independent governors only) – Senior Post Holder structure

A report had been circulated outlining changes to the Senior Management Team (SMT) structure, as recommended by the Remuneration Committee and approved by the Finance and Employment Committee, which had taken effect on 1 December 2022; these had been communicated to governors by email at the time and governors were invited to comment or ask any questions. The report also proposed a change in job title from Group Executive Director Finance to Chief Financial Officer. This would seem consistent given the Chief Executive and Chief Operating Officer roles and would also provide an opportunity to review the job description and development opportunities for the postholder.

[REDACTED] The Chief Executive confirmed that SMT feedback had been positive during the consultation, during which strategic purpose and need had also been discussed; [REDACTED] In response to a governor's question about the process for replacing the NETA Managing Director, the Chief Executive confirmed that the post would be advertised internally in January following a similar process to that in which Patrick Jordan had been appointed as Bede Sixth Form College Principal.

[REDACTED] He added that the staff pay award to be discussed under agenda item 15 was slightly above the Association of Colleges' recommendation and in line with other local colleges. [REDACTED]

The Chair of the Finance and Employment commented that the pay awards would help with staff retention and added that, with the 3% proposed pay award to staff, Etc. pay had increased 13% over the past ten years whereas Association of Colleges' recommendations had totalled 10.5%. This was testament to the work of the Group Director of HR & People Development and the Great Place to Work strategy and the priority to retain staff knowledge and expertise.

The Chair of the Audit Committee confirmed that he had discussed the proposal with the Chief Executive the previous week and agreed that the changes would help to mitigate one of the risks in the Strategic Risk Register.

Governors supported the proposal, noting that the new SMT structure was a positive reconfiguration that would be a useful structure for the group's new era and for collaboration across the group.

Governors **supported** the recent Senior Management Team reorganisation and **approved** the change in job title from Group Executive Director Finance to Chief Financial Officer.

22/115 Agenda Item 2 – Governing body membership

Governors **agreed** to ratify the appointment of Elliot Gale as student governor for a term of no longer than four years, subject to satisfactory DBS clearance.

Elliot Gale, Lorraine Preston, Lesley Graham, Phil Hastie, Erika Marshall, Fiona Sharp, Kay Taylor, Peter Wood and Hope Ubertalli joined the meeting.

The Corporation Chair confirmed Elliot Gale's ratification as a student governor and welcomed Elliot to the Corporation. He also welcomed Hope Ubertalli to the meeting as an observer, pending her decision whether to submit a student governor application.

A report had been circulated outlining recruitment activity for the three independent member vacancies, including specific recruitment priorities; the Clerk added that, to date, two expressions of interest had been received and asked governors to continue to raise awareness of the vacancies within their networks. The Corporation Chair also commented on Fabienne Bailey's impactful video about being an Etc. governor and encouraged governors to share this on social media. Vanessa Housley drew attention to Stockton Borough Council's work on potential military personnel involvement in school governorship and offered to share details. Governors **noted** the current position in relation to governor recruitment.

The report had also included details of the Department for Education's (DfE) further education governor recruitment service delivered by Peridot Partners Ltd. and the application requirements and process. Governors **agreed** that an application should be made.

22/116 Agenda Item 3 – Welcome, apologies for absence, declarations of interest, notification of other items of business

The Corporation Chair welcomed governors to the meeting; governors **noted** apologies for absence from Fabienne Bailey and Liz Dixon and that Jason Faulkner, Executive Principal Redcar & Cleveland College (RCC) and NETA, was unable to attend the meeting. There were no declarations of interest or notifications of other items of business.

22/117 Agenda Item 4 – Corporation minutes and actions

4.1 – Minutes for approval

Minutes of a Corporation meeting held on 20 October 2022 were formally **approved** as an accurate record of the meeting.

4.2 – Matters arising

The action progress log had been circulated and was **noted**. The following additional updates were provided:

- Vanessa Housley reported that she had arranged to meet with the Chief Executive in early January 2023 to discuss summer school models.

Claire Leece (RSM) joined the meeting via Teams.

Agenda Item 5 – Annual Reports and Final Accounts 2021-22

A covering report and suite of documents had been circulated with the meeting papers; the Corporation Chair explained that the agenda had been colour coded to confirm which committee or committees had previously considered each agenda item.

22/118 5.1 – Audit Committee Annual Report, including Internal Audit Annual Report and agreeing submission to the Education and Skills Funding Agency (ESFA)

Governors **noted** the Audit Committee Annual Report and Internal Audit Annual Report, as considered at the Audit Committee meeting held on 24 November, and **agreed** that the reports should be submitted to the Education and Skills Funding Agency (ESFA) alongside the annual report and final accounts.

22/119 5.2 – Annual report and final accounts for Education Training Collective for year ending 31 July 2022

The Chief Financial Officer commented on a positive set of accounts for 2021-22; the operating surplus [REDACTED] was slightly above the budget set for the year and all key performance indicators (KPIs) had been met, including EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) and cost to income ratio. The group's financial health had been confirmed as Good by the ESFA and bank covenants were compliant.

Governors **approved** the annual report and final accounts for the Education Training Collective for year ended 31 July 2022 (Group consolidated accounts).

22/120 5.3 – Final accounts for NETA Training Trust, Tees Valley Catering and Stockton and Billingham College Developments Ltd for year ending 31 July 2022

The Chief Financial Officer confirmed that NETA's operating surplus [REDACTED] for the year had also been slightly higher than the budget set. On the advice of the auditors, one amendment to the trustees' report had been made subsequent to consideration by the Audit and Finance and

Employment committees; this was in relation to the transfer of business to Etc. and the changes to the section headed Outlook had been detailed in the circulated report.

Tees Valley Catering (TVC) final accounts also showed an operating profit [REDACTED] after administration expenses including a recharge for the provision of support services by Etc. and depreciation of its assets; the final accounts had been presented to the TVC Board at their meeting on 22 November 2022, with approval granted for sign off for filing at Companies House and for consolidation into the Etc. accounts.

Final accounts for Stockton and Billingham College Developments (SBCD) Ltd. showed that there had been no activity during 2021-22; legal advice would be sought in 2022-23 as to the position of a historic debt in relation to a final retention payment with a view to write off of the company.

Governors **approved** the final accounts for NETA Training Trust (consolidated) and **noted** the final accounts for TVC and Stockton and Billingham College Developments for year ended 31 July 2022 for inclusion in the Group consolidated accounts.

22/121 5.4 – Audit findings reports for Etc., NETA Training Trust and Tees Valley Catering and management representation letters

Claire Leece, Audit Partner RSM, presented the audit findings reports included in the meeting papers; she reported that the audit process had been undertaken on site by the RSM team and had resulted in clean audit and regularity opinions.

In addition to a summary of areas of note in the covering report, Claire Leece highlighted the following:

- Group reconstruction – as NETA activity had transferred to Etc. on 1 August 2022, the NETA accounts could not be prepared on the going concern basis as the entity was no longer trading. RSM had agreed that it was clear that activities had been transferred and that NETA was now operating within Etc.
- The Office for National Statistics (ONS) reclassification of FE colleges to the public sector on 29 November had been noted as a post-balance sheet event. It was confirmed that the reclassification did not currently have any direct impact on Etc.; the group had one loan over a fixed period and with no need for refinancing, existing arrangements could remain.
- Income recognition – it was confirmed that reconciliation of income from Tees Valley Combined Authority (TVCA) had been received since the report had been issued.

The Chair of the Audit Committee reported that detailed discussions had taken place at the committee's last meeting; feedback on RSM's work had been positive and complimentary and thanks had also been extended to the Chief Financial Officer and the Finance team for their work. The streamlined energy and carbon reporting also reflected the group's green credentials; the Chief Financial Officer added that inclusion of this information in the annual report was not yet mandatory, but that the group chose to as the information was available. Governors noted that the Group Director of Marketing was developing promotional materials similar to those produced the previous year.

The Chief Financial Officer added that, considering the complexity of the group, the clean audit report was a credit to the Finance team.

Governors **noted** the audit findings reports for Etc., NETA Training Trust and TVC, and management representation letters.

22/122 5.5 – Annual remuneration report and annual remuneration statement for publication

Governors **noted** the Annual Remuneration Report and **agreed** the Public Remuneration Statement for publication on the Group website alongside the annual report and final accounts.

22/123 5.6 – Students Union annual accounts and report

Governors **noted** the Students' Union annual accounts and report.

Claire Leece left the meeting.

22/124 Agenda Item 6 – Chief Executive's update

The Chief Executive presented the circulated update and highlighted the following key points:

- Local colleges had been involved in the first stages of the development of the Local Skills Improvement Plan (LSIP), led by the North East England Chamber of Commerce, which would focus on three areas: Green Energy and Net Zero; Health and Social Care; and Transferable Skills. Timescales would be tight, with the first draft due at the end of March 2023, which would then be used for the group's Accountability Statement, due to be submitted to the DfE by the end of May 2023. Etc. had taken part in the Accountability Statements pilot and guidance had also been published the previous day.
- The group had been contacted by Ofsted to participate in a T Level pilot inspection and this would take place from 10 January 2023; results would not be published or graded but would provide valuable feedback and raise the group's profile with Ofsted.
- The contract for Teesworks Skills Academy would come to a natural end on 31 December 2022; TVCA intended to adopt a different approach going forward but had confirmed it would still work with colleges to source provision, particularly RCC. As Teesworks was currently in a hiatus phase, there were fewer employment opportunities.
- There had been a decrease in franchised Higher Education (HE) recruitment, which had corresponded with recruitment levels both within the Tees Valley for Teesside University College Partnership (TUCP) colleges and nationally; the Chief Executive had met with the Teesside University Pro-Vice Chancellor, with work ongoing to strengthen the TUCP.
- The ONS decision on 29 November to reclassify colleges as public sector organisations had significant implications for the FE sector. In future, this could mean more controls on the group from both the DfE and the combined authority. An initial assessment identified that there would be no immediate impact on existing arrangements, however, colleges could no longer access commercial borrowing and there was some ambiguity over future grants for major capital projects, such as the NETA relocation. As the government had taken on the FE sector's debts there could also be future implications for college reserves.
- The Chancellor had delivered the Autumn statement on 17 November with no additional funding announced for FE colleges.

In response to a governor's question about collaboration and its potential to help with staff recruitment; the Chief Executive commented that collaboration was one of the intended results of the LSIP, for which curriculum mapping in the Tees Valley would be undertaken. The mapping exercise would also help the group to identify strategic curriculum priorities.

In relation to ONS reclassification, a governor commented that they were reassured by Etc.'s strong financial position and reputation and hoped there would be scope for the Association of Colleges (AoC) and other colleagues to shape the planned Colleges' Financial Handbook, especially given that the DfE seemed to be less knowledgeable about colleges than schools. The Chief Operating Officer confirmed that the group would continue to work with the DfE and that the DfE had confirmed that the group's current plans met the reclassification requirements.

Governors **noted** the update.

22/125 Agenda Item 7 – Apprenticeships update

An update on apprenticeship provision and performance had been circulated. The Chief Operating Officer updated governors on recruitment of a new Group Director of Business Engagement; following an unsuccessful first round, the post would be re-advertised in early 2023 and a highly experienced interim was currently in post. The Apprenticeship Council had already had a significant impact, including raising the profile of apprenticeships at departmental level, and a Group Improvement Plan (GIP) would monitor progress. A 360° review of current apprenticeship delivery was also being implemented. The Audit Committee had recommended the use of contingency days within the 2022-23 Audit Plan to review apprenticeship funding rule compliance in the current year.

A governor commented favourably on the immediate action that had been taken and the longer term focus on improving quality; she then asked if the group had sufficient assessors. The Chief Operating Officer confirmed that the availability of assessors varied and that assessor recruitment days were being planned. The Group Director of HR & People Development acknowledged that this had been brought to the fore by the work of the Apprenticeship Council and that collaboration between sites, as part of the One Etc. strategy, was being explored. It was also noted that the new Standards approval process would consider whether sufficient quality staff were available for delivery and would also be part of the annual 360° review of Standards. Governors were invited to attend Apprenticeship Council meetings, an offer already made to Audit Committee members, with details to be included in the next Governors' Digest.

Governors:

- i) **approved** the Apprenticeships Group Improvement Plan, as recommended by the Standards Improvement Committee;
- ii) **noted** the progress of the Apprenticeship Council;
- iii) **agreed** to amend the internal audit plan to utilise internal audit contingency days to review apprenticeships.

22/126 Agenda Item 8 – Group Improvement Plans

A paper outlining GIP themes and Senior Management Team (SMT) leads had been circulated; the GIPs for 2022-23 focused on Apprenticeships, Cost of Living Crisis, Maintaining Learning, Managing People, Level 3 Vocational Learning, and Teaching and Learning. The Group Director of Quality highlighted that the GIPs had been based on a robust self assessment process and this year's template allowed for increased analysis of an area for improvement. Each GIP had been assigned a different SMT lead to drive improvement; updated versions following each Performance Review (PR) cycle would be presented to the Standards Improvement Committee and made available on the Etc. Governors' SharePoint.

The Chair of the Standards Improvement Committee commented favourably on the six GIPs and their improved format, noting that, in particular, the Cost of Living Crisis GIP provided support for both staff and students. She added that the Maintaining Learning GIP was also important due to the continuing impact of the pandemic on students and that the Managing People GIP reflected the group's Great Place to Work strategy.

Governors **approved** the 2022-23 Group Improvement Plans.

22/127 Agenda Item 9 – Higher Education Self Evaluation Document and progress update

The Higher Education & Skills Self-Evaluation Document (HE SED) for 2021-22 and an update on HE and Skills provision across the group had been provided by the Group Head of HE and Skills. The Executive Principal Stockton & Riverside College (SRC) and HE highlighted that the HE SED had been considered at the Standards Improvement Committee on 1 December and presented to a validation meeting attended by a number of governors on 2 December 2022. The HE SED was based on the Quality Assurance Agency for HE (QAA) methodology and provided two key judgements, on academic standards and the quality of the learner academic experience, with the group having 'Confidence' in both areas. The supporting evidence for these judgements was detailed in the HE SED included in the meeting pack.

A governor asked about the possible reasons for the relatively low satisfaction with the Student Union in the National Student Survey (NSS) results. Noting that this was still 19.2% above the national average (NA), the Executive Principal SRC & HE explained that students' unions tended to be less embedded in FE colleges than in universities though work was ongoing to open up the group's students' union to HE students. The student governor highlighted that the students' union at Bede Sixth Form College was well structured and that, as a student, they felt they had a voice within it and that students had some influence. The Executive Principal SRC & HE agreed that the students' union was working well this year but uptake was often dependent on the student cohort.

Governors acknowledged though that, even with maintaining academic standards and providing a quality experience for HE students, recruitment had been a concern this year, which was mirrored both regionally and nationally in the FE sector. It was noted that Etc. was the highest performing provider in the TUCP and that the group's position and continuing dialogue with Teesside University would allow Etc. to steer future strategic developments.

Governors **agreed** the Higher Education Self Evaluation Document and **noted** the update.

22/128 Agenda Item 10 – Quality Performance and Targets 2022-23

A report outlining quality data for 2022-23 to date, teaching and learning staff development and proposed quality master targets for 2022-23 had been circulated. The Group Director of Quality highlighted changes to the Ofsted Education Inspection Framework (EIF) introduced from September 2022, which would have a greater focus on how providers were meeting skills needs. This would involve additional inspectors, an earlier planning call and result in an ungraded sub judgement in inspection reports. As well as employers, it would involve a civic, education and community element. The changes had been discussed at the last Standards Improvement Committee meeting and it was noted that the recent Ofsted inspection report had referenced this area as a strength of the group. Specific questions had been added to Business Planning / Performance Review (BP/PR) meetings to prepare staff for this element.

A governor commented that they had shared materials on meeting global skills demands with the Group Director of Quality.

Governors **noted** the quality update and **approved** the proposed quality master targets.

Patrick Jordan joined the meeting.

22/129 Agenda Item 11 – Equality, Diversity and Inclusion Annual Report and Single Equality Scheme

The Equality, Diversity and Inclusion (EDI) Annual Report for 2021-22 and proposed changes to the Single Equality Scheme had been circulated; the Group Director of HR & People Development confirmed that she now had responsibility for EDI. She explained that the EDI annual report summarised the previous year's activity and set out new goals for the coming year; she added that Vanessa Housley had been appointed as EDI Link Governor, replacing Rob Mitchell. It was proposed that, in future, the timing of future reviews of the Single Equality Scheme should be aligned with production of the EDI Annual Report in December each year.

A governor commended the impressive report, commenting that diversity was visible throughout; the Group Director of HR & People Development agreed to pass the feedback to the EDI group.

A governor asked whether asylum seekers and refugees were recorded in the data and how the group supported these students. In terms of staff recruitment, this would not be flagged during the selection process and it was noted that, on employing an asylum seeker, the recruitment checks had proved lengthy and complicated but that this could be an area for positive action. The Prince's Trust had been working with Ukrainian refugees who had helped to produce materials in Ukrainian. However, it was noted that funding rules determined student eligibility for courses but that the government had specifically relaxed these rules for Ukrainian refugees. A governor highlighted local authority work with asylum seekers putting together evidence for personal statements to support FE and HE applications.

Governors:

- i) **approved** the Annual Equality and Diversity Report for 2021-22 for publication on the Group website;
- ii) **approved** the proposed revisions to the Single Equality Scheme;
- iii) **approved** the revised review date to align the production of the Annual Equality and Diversity Report and the Single Equality Scheme going forward.

22/130 Agenda Item 12 – Safeguarding, Prevent and Welfare update

The Corporation Chair reminded governors of their statutory duty for Safeguarding.

A report detailing retention of vulnerable learners to date, national and Prevent updates, online safety data from Smoothwall, RAG (red, amber, green) rated data on staff mandatory training and auditing of the Single Central Record (SCR) had been circulated. The Group Director of Quality highlighted that national training for Prevent had changed and was being rolled out to staff; Prevent officers would also be visiting RCC in the new year. He added that all Smoothwall referrals were investigated with some found to be legitimate searches for study purposes.

In response to a governor's comment about whether Safeguarding should be positioned higher on meeting agendas, the Clerk agreed that this would be considered; however, safeguarding at the group was well managed and was not an area of particular concern.

A governor asked if there were any particular reasons for the relatively high numbers of Children in our Care (CIOC) withdrawals and whether there were any actions that could be taken. The Group Director of Quality confirmed that the reason for withdrawal was often mental health issues; trauma related issues meant that it was sometimes just not the right time for these learners to study and an exit strategy was in place for vulnerable learners with actions to ensure that they were supported by appropriate agencies. A governor asked whether, data protection allowing, the group would be able to go back to such students and renew the college offer as this second approach might catch them at a better time in their lives. The Group Director of Quality agreed to follow this up with colleagues.

The Safeguarding Link Governor emphasised the importance of safeguarding and added that he had gained assurance of its high priority in the group; he had attended regular safeguarding meetings with key staff who were confident and passionate.

Governors **noted** the update.

22/131 Agenda Item 13 – Learner and Employer feedback

A report detailing learner voice activities and examples of actions taken in response to meet and greet discussions had been circulated with the meeting papers; the employer survey would be launched in early January 2023 but positive relationships with employers had been evidenced in the Ofsted inspection report. The Group Director of Quality added that Learner Survey 1, the first substantial survey of the academic year, had closed the previous week, with results to be included in the report to the next meeting. Learner feedback was also collected through activities such as Meet and Greet and Principals' Forums and staff were conscientious about closing down the actions captured.

Governors **noted** the report.

22/132 Agenda Item 14 – Finance update

A finance report providing updates on Restructuring Facility (RF) monitoring, Financial Health, the Office for National Statistics (ONS) reclassification of colleges to the public sector, PR3 and additional FE capital funding for improving energy efficiency had been circulated with the meeting papers.

The Chief Financial Officer confirmed that this was the final year of RF monitoring of the group's cash surplus and capital expenditure; there were no concerns and the cash surplus was expected to be below [REDACTED]. The letter from the ESFA confirming the group's Financial Health as Outstanding for 2021-22 and 2022-23, based on the financial plan, had been included in the meeting papers; following submission of the financial record for 2021-22, it was expected that the financial health grade for 2021-22 would be confirmed as Good, though a strong Good. The group had no real concerns with regard to ONS reclassification and the group had been notified that there would be no requirement for the next scheduled submission of the College Financial Forecasting Return (CFFR) to allow ESFA staff to concentrate on matters relating to reclassification. With PR3 having just concluded, the group was presently forecast to remain in line with budget,

with shortfalls forecast in income against departmental targets offset by corresponding reductions in expenditure. The group had also received notification of a DfE grant [REDACTED] to spend on energy efficiency over the next two years; consideration was being given as to its utilisation.

A governor asked if there was any scope to invest capital grants before the funding was spent; the Chief Financial Officer explained that the group had withdrawn the balances in the 65 and 95 day investment accounts to make it available for the major capital projects and noted that the interest received on these had not been much higher than the Barclays current account.

A governor asked about the potential move from commercial banking to government banking following the ONS decision and the Chief Financial Officer explained that, as yet, there was little detail on this or the potential for colleges to access government insurance schemes though Barclays had already raised this issue with the group. Governors noted that no immediate action was needed.

Governors **noted** the update.

22/133 Agenda Item 15 – Pay Award

A paper outlining pay award recommendations had been circulated. The Group Director of HR & People Development added that she and the Chief Executive had attended the first official Joint Consultative and Negotiation Committee (JCNC) meeting to discuss the 2022-23 pay award. As part of the 2022-23 budget agreed by governors in July 2022, the original pay award had been 2.5%; however, a 3% award to all employees, reduced to 2% for SMT members, was now proposed, along with a non-consolidated winter fuel payment for the lowest paid staff and a Wellbeing Day. She added that the concept of Wellbeing Days had now been introduced at other local colleges. With the proposed pay award effective from 1 August 2022, staff would receive the annual pay award and back pay in the January instalment of their pay. It was also highlighted that pay for Senior Post Holders (the Chief Executive, Chief Operating Officer and Chief Financial Officer) was agreed by the FE Corporation, with pay for other SMT members approved by Finance and Employment Committee. A contingency for the uplift in the National Living Wage had also been factored into budgets.

In response to a governor's question about communication of the proposal to staff, the Group Director of HR & People Development explained that Unison were balloting their members on the offer and that UCU were currently taking a decision on whether to accept the offer. She then clarified that it was possible that one union could accept the offer whilst the other did not; this had happened the previous year but Unison had lower membership numbers so the pay offer had been accepted. Anecdotally, the group was aware of a local college where a similar offer had been accepted by the unions and another at which a lower offer had been accepted.

A governor explained that their own organisation had introduced their own real living wage at a higher level than the National Living Wage, which felt like the right step in terms of equality and diversity. The Group Director of HR & People Development agreed that this could be considered and then discussed at Finance and Employment Committee. However, it was also noted that this could erode pay differentials and make posts with responsibilities less attractive; the financial impact would also need to be considered given the number of staff concerned.

Governors **approved**:

- i) the pay award offer for 2022-23;
- ii) the 2% pay award for the Senior Management Team.

Agenda Item 16 – Committees and subsidiary boards

22/134 16.1 – Committee feedback

Key themes and formal recommendations from the following meetings had been included in the circulated report:

16.1.1 – Capital Group, 3 November and 7 December 2022

The Chair of the Capital Group highlighted the key themes outlined in the report and added that the group had received thorough and regular updates on the major capital projects and cashflow forecasts, with a new format for meeting packs introduced. Good progress was being made on the estates strategy, however, there were funding challenges for the NETA relocation exacerbated by the ONS decision. He then gave an overview of the capital projects for student governors and explained that the capital group had been established to provide scrutiny due to the high levels of expenditure.

16.1.2 – Remuneration Committee, 10 November 2022

Dot Smith confirmed that she had acted as Chair for this meeting at which the committee had considered the Chief Executive's performance to date and set targets for the coming year. Senior Management Team remuneration and reorganisation had also been discussed; she then congratulated Patrick Jordan on behalf of the Board on his recent appointment as College Principal Bede.

16.1.3 – Finance and Employment Committee, 22 November 2022

The Chair of the Finance and Employment Committee directed governors to the key themes outlined in the report.

16.1.4 – Tees Valley Catering, 22 November 2022

The Chair of the Tees Valley Catering (TVC) Board also highlighted the key themes as listed.

16.1.5 – Audit Committee, 25 November 2022

The Chair of the Audit Committee confirmed that the Audit Committee Annual Report had been a good reminder of the committee's work over the previous year and had been considered in conjunction with the positive outcomes in the Internal Audit Annual Report. The issues identified in the funding assurance audit of apprenticeships would be monitored through a follow up audit this academic year and were being taken forward by the Apprenticeship Council. The Strategic Risk Register had been fully reviewed for the start of the year though the committee would need to assess the potential risks resulting from the ONS reclassification.

16.1.6 – Standards Improvement Committee, 1 December 2022

The Chair of the Standards Improvement Committee confirmed that several items from the meeting had been discussed by Corporation during this meeting. There had been a presentation on T Level implementation and curriculum planning and, although recruitment for 2022-23 had been below target, delivery experience was being gained. The committee's statutory obligation to monitor subcontracting quality was also highlighted.

Governors **noted** feedback from meetings.

A governor asked whether, given the improved performance of the group and its colleges, consideration had been given to streamlining BP/PR processes. It was felt that the BP/PR process had been critical for driving the improvements which had resulted in the group's success and that work to reduce staff workload by streamlining the process and the data and information presented was already evident. Preparation for these meetings was considered an essential part of the management function, with the time spent collating information not felt to be inordinate. Managers had attended development sessions on the PR process outlining why this information was collected and its importance and had given positive feedback. The Clerk explained that the Governance Action Plan, collated in response to the governance self-assessment, included an action to deliver a governors' development session on the BP/PR process. It was recognised that, with the group moving into a different phase, it would be appropriate for SMT to reflect on any changes needed.

22/135 16.2 – Recommendations

As recommended by the Finance and Employment Committee at their meeting held on 22 November 2022, governors:

- i) **approved** revised subcontracting levels for 2022-23;
- ii) **approved** the Financial Regulations.

Agenda Item 17 – Governance Issues

22/136 17.1 – Strategic Conference

A proposed agenda and objectives for the upcoming Governors' Strategic Conference had been circulated; the Chief Executive highlighted that the conference would focus on looking forward and create space for governors to tease out the strategic priorities for the next three to five years. He and the SMT would then use these ideas to develop an Etc. Strategic Plan for 2023-26. As preparation, college principals would present a review against their 2021-22 college strategic priorities at the Governors' Workshop in January 2023. He confirmed that the agenda was still in draft form and encouraged governors to provide feedback.

The Corporation Chair confirmed that feedback from governors had been incorporated into the agenda and that the aim was for the conference to be different, taking better advantage of the skills and expertise of governors to support SMT and influence the group's strategy; the programme included external speakers plus time and space for governors to reflect before dinner.

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

22/137 17.2 - Governance Self Assessment

A summary of outcomes from the 2021-22 self-assessment, specific areas for improvement identified and a draft Governance Action Plan developed in response had been circulated; the Clerk thanked governors for their participation in this year's governance self-assessment and noted that the report also included information on governor monitoring of some of the key group improvement areas and priorities identified. She confirmed that, in response to the new requirement introduced in the 2021-22 ESFA funding agreement, information on governance development activities had been included in the annual report; there was evidence of good governor engagement in training and development activity and its positive impact. Governors had

also been asked to consider delegating appointment of an external Board reviewer to the Search and Governance Committee. The Corporation Chair added his thanks to governors for their input.

Governors:

- i) **noted** the outcomes of the 2021-22 governance self-assessment and **agreed** the proposed Governance Action Plan;
- ii) **agreed** to delegate appointment of the External Board Reviewer to the Search and Governance Committee.

22/138 17.3 – Committee membership and terms of reference

A report with proposals for changes to committee membership and terms of reference had been circulated; the Chair of the Standards Improvement Committee commented that she particularly welcomed the appointment of both staff governors to the committee.

Governors:

- i) **approved** the appointment of Liz Dixon, staff governor, to the Standards Improvement Committee and Finance and Employment Committee; and Lorraine Preston, staff governor to Standards Improvement Committee;
- ii) **approved** the proposed changes to terms of reference of Remuneration and Finance and Employment committees.

22/139 17.4 – Governance update

A report on use of the college seal, governor attendance to date for 2022-23, governor development activity, learning walks and involvement in college group events had been circulated; the report also provided details of national governance issues which were also communicated through regular Governors' Digest. The Clerk thanked governors for their strong engagement and involvement over the term and governors commented on how much they and their families had enjoyed the VIP performance of Big: the musical earlier in the week. Governors were then invited to give any verbal feedback.

Dot Smith explained that she had joined the Chief Executive and other SMT members at the AoC Conference held in Birmingham in November; she highlighted David Hughes' forthright and honest speech on challenges to the sector and Kevin Fong's session on Anatomy of Hope. Performing arts students from SRC's Academy of Performing and Technical Arts (APTA) had opened the conference.

Stu Blackett spoke about the humbling experience of representing Etc. at the 100th anniversary Remembrance organised by the Sir William Turner Foundation (SWTF) at RCC; Anne Vickers, the SWTF representative on the Corporation, had read a poem at the service and she commented on both the wonderful service and the work of the foundation at RCC and local Redcar schools.

Subhash Chaudhary had attended the AoC's Audit and Finance Chairs' network which, as well as being an opportunity to air concerns about ONS reclassification, had also included a session on how colleges could save costs, including energy saving measures. It had been reassuring to know that other colleges faced similar challenges and the different solutions under consideration. Staff recruitment challenges had also been discussed and there had been little support for salary savings to come from reducing working hours. The Group Director of HR & People Development

added that a four-day week could bring energy cost savings and that the flexibility it would offer was attractive to staff, with the group giving this some initial consideration.

Governors:

- i) **noted** use of the college seal;
- ii) **noted** governors' involvement in a range of training and development opportunities, and college group events, and that they should notify the Clerk of any specific training needs;
- iii) **noted** the update in respect of national governance matters.

22/140 Agenda Item 18 – Any Other Business

The Clerk confirmed that the Master Targets File had been uploaded to the Etc. Governors' SharePoint and a link would be circulated to governors. There were no other items of additional business.

22/141 Agenda Item 19 – Dates, times and venues of upcoming meetings

Governor Workshop – Thursday 12 January 2023, 5.30 pm, Teams – to include the annual safeguarding update for governors

Governors' Strategic Conference – Friday 3 to Saturday 4 February 2023, Gisborough Hall Hotel

FE Corporation – Thursday 16 March 2023, 5.30 pm, Redcar and Cleveland College – with a tour of the Clean Energy Education Hub beforehand

22/142 Agenda Item 20 – 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, 7, 8, 9, 12, 13, 14 and 15. Minutes would be made available following approval and consideration at the next meeting.

22/143 Agenda Item 21 - Key Themes and Meeting Review

- Independent governors supported the Senior Management Team reorganisation, as approved by the Finance and Employment Committee, and approved the change in job title from Group Executive Director Finance to Chief Financial Officer
- Ratification of Elliot Gale's appointment as a student governor for a term of no longer than four years and subject to satisfactory DBS clearance
- Approval of the Etc. Annual Report and Final Accounts for the year ending 31 July 2022; the Board thanked the Finance team for their hard work and for the positive Audit Findings Report from RSM
- Approval of the six Group Improvement Plans for 2022-23: Apprenticeships, Cost of Living Crisis, Maintaining Learning; Managing People, Level 3 Vocational Learning and Teaching and Learning
- Approval of the 2022-23 pay award offer proposed

(The meeting ended at 7.30 pm)

Approved at a meeting held on 16 March 2023