



TyneCoastCollege

Meeting of the Board

Venue: South Tyneside College/Teams

Date: Wednesday 20 July 2022

Time: 4.00pm – 6.05pm

Present: George Clark (in the Chair)
Sheila Alexander (Teams)
David W Bavaird (Teams)
Malcolm Grady
Clive Johnson
Ian Pippin
Colin Seccombe
Wendy Starks
Donya Urwin (Teams)
Andrew Walton (Teams)
Andrew Watts (AW) (Teams)
Jacqueline Watson
Susan Wear (Teams)
Lindsey Whiterod (LWh) (Teams)

Apologies: Gary Hindmarch
Mark Overton

In Attendance: Neil Longstaff (Director of Governance)
Jane Cuthbertson (Chief Operating Officer)
Lorna Lister (Governor Support Officer)

Action Tracker

Item	Summary of Action Required	By whom	Status	Comment/Update
Meeting of the 6 April 2022				
15.	<u>HIVE Survey April 2022:</u> To complete another staff survey in approx 6 months time (Oct 2022)	CD	Completed	This was sent out to staff on the 29 th June 2022
16.	<u>Governance Update:</u> Governors are to complete any outstanding training asap	ALL	Open	Emails had been sent to those governors that still had outstanding training.
Meeting of the 20 July 2022				
10.6	<u>Annual Review of Governance and Governance Update</u> That the Board agree the following: - Governance Structure, subject to the BCSAGs being removed.	NL	Completed	

	<ul style="list-style-type: none"> - Instrument and Articles of Government, subject to references to BCSAGs being removed where needed - Standing Orders and Code of Conduct subject to references to BCSAGs being removed where needed - Revised Terms of Reference and membership of Business, Community and Stakeholder Advisory Groups, as presented, subject to governor representation being increased to 3 per group and these be changed to internal advisory groups. - Business Planner 2020-21, subject to Annual E&D report being moved to November. 			
	<ul style="list-style-type: none"> - That governors are to complete mandatory training where not already done so. 	All Govs	Open	Still some courses outstanding
10.8	<p>College HE Fees</p> <p>That the Board agree the HE fees as recommended by Finance and Resources Committee and that these be published when required.</p>	SA	Completed	

Minutes

ITEM NO.	ISSUES	ACTION
1.	<p>Review of Chair's Performance</p> <p>At this stage in the proceedings, the Chair withdrew from the meeting taking no part in any discussion or voting.</p> <p>The purpose of the report was to provide feedback on the responses received following the survey on the performance review of the Chair during 2021/2022.</p> <p>The Director of Governance informed members that the term of office for the Chair was a two-year appointment subject to an annual review of performance.</p> <p>The results were shared with governors where it was noted that there had been a 60% return rate and responses were very positive. Governors' attention was also drawn to the written comments received.</p> <p>NL stated that this information would be fed back to the Chair and any issues could be picked up in the governors 1-2-1 with the Chair due to be held in September/October.</p> <p>Resolved That the Board agree to receive the report and to the Chair continuing into his second term of office.</p>	

	GC returned to the meeting and was informed of the Board's decision.	
2.	Apologies for absence The Board received and approved apologies for absence from those identified above after having first considered the reasons for their absence.	
3.	Declarations of interests The Chair reminded members to declare any conflicts of interest as they arose on the agenda. There were standing declarations for links to Tyne Coast Academy Trust for the following: AW, GC, MG, CS, SW, JC and LWh. MG announced that he recently became a trustee of a national organisation in the field of Adult Education.	
4.	Confirmation of the minutes. The minutes of the meeting of the Board held on the 6 April 2022 were approved and were signed by the Chair subject to an amendment to P4, Para 8 of Item 7 of the Confidential minutes relating to the new build (see confidential minute). Matters arising not covered elsewhere on the agenda <u>4.1 Governance update</u> NL confirmed that the Action Tracker would be extended to include Committees of the Board from 2022/23. <u>4.2 Customs House</u> Confidential item <u>4.3 Sale & Purchase Contract</u> Confidential item <u>4.4 Restricted minute 15/12/21</u> Confidential, restricted minute.	
5.	Minutes of Committees/Task Groups of the Board The following minutes were received and content acknowledged: <ul style="list-style-type: none"> • Business Development Committee - 11 May 2022 • Governance Committee - 25 May 2022 • Quality, Curriculum and Standards Committee - 15 June 2022 • Audit Committee - 27 June 2022 • Finance and Resources Committee - 30 June 2022 Matters arising not covered elsewhere on the agenda <u>5.1 Business Development Committee</u> A governor stated that the changes to adult funding from the modified Combined Authority were to be noted and an updated paper on this could go to Finance and Resources Committee in due course.	
6.	Chair's Update <u>6.1 Pay Recommendation</u>	

	<p>Governors were reminded that the 1% pay award built into the budget had not yet been released due to uncertainty of the external environment on the college's financial position throughout the academic year.</p> <p>Governors were informed that the Finance and Resources Committee had recently recommended payment of the 1% salary increase backdated to 1st August 2021, which was approved via Chair of the Board's Action to enable the deadline to be met for the July payroll and to ensure the payment was in the correct academic year.</p> <p>Resolved: That the Chair's Action is endorsed.</p> <p><u>6.2 Events</u> The Chair reported that he attended both the recent Graduations and Staff Development Day, which were highly successful events.</p> <p>The Staff Governor commented that the Staff Development Day was very good, with staff engaged and everyone was pulling together to the benefit of the College, a good day for all concerned.</p>	
7.	<p>Report of the Chief Executive including estates update and Academy Trust</p> <p>The purpose of the report was to provide the Board with key activities and issues from the Chief Executive Officer.</p> <p>The following areas were highlighted within the report:</p> <ul style="list-style-type: none"> • Annual Strategic Conversation Letter – Kirsty Evans, Director of Post 16 Regions and FE Provider Oversight • Note regarding the Proposed Carve Out of South Shields Marine School from Muckle LLP (see confidential item) • Marketing Activity Update (all brands) • South Shields Marine School Update • South Shields Marine School Weekly Bulletin • Digital Update • College Collaboration fund Update • Further Education Professional Development Grant (FEPDG) Update • AoC NE Principals Update from Julian Gravatt (28-06-22) <p><u>DfE Programmes and initiatives</u> A governor asked about the programmes and initiatives available through the DfE. The CEO explained that you needed to bid into certain ones and others you could apply for. It was noted that the College had also been successful in bids in partnership with other colleges.</p> <p>Resolved: That the Board acknowledge the information, as presented.</p>	
8.	<p>Student Union Report</p> <p>The purpose of the report was to provide an update on the current position regarding the Student Union and plans for the future.</p> <p>Areas covered within the report included:</p> <ul style="list-style-type: none"> • Appointments to the roles within the Student Union • Budget spend. • Activities • Accommodation 	

	<p>A governor asked whether there should be two students appointed in light of the resignation of the President? NL responded explaining that the College Board had already made provision for two student union representatives to attend meetings these being the Student President (in a non-voting capacity) and the Student Governor (elected through the Student Parliament).</p> <p>A governor expressed a view that this report was refreshing as it provided detail about activities and spend, and hoped that progress made by the outgoing President would continue with the new President, when appointed.</p> <p>Q. President a sabbatical role? Yes, the President was an employee of the College on a fixed term contract (an external advert placed when needed) whereas the Student Governor was not. Responding to a query, it was noted that the President left for another job opportunity.</p> <p>Resolved: That the Board acknowledge the information, as presented.</p>	
<p>9.</p>	<p>Legal Services Tender update</p> <p>Confidential item</p>	
<p>10.</p>	<p>Items for approval via Committee</p> <p><u>10.1 Management Accounts and commentary</u></p> <p>Confidential item</p>	
	<p><u>10.2 Pay Recommendation</u></p> <p>Confidential item</p>	
	<p><u>10.3 2022-23 Budget</u></p> <p>The purpose of this report was for governors to approve a budget prior to the start of the financial year, which was a requirement of the financial memorandum.</p> <p>This paper highlighted particular areas for governors to note and the attached paper detailed how the budget had been built. There were detailed discussions at the recent Finance and Resources Committee regarding the budget and the budget process.</p> <p>It was important to highlight to the Board that whilst both 2022/23 and 2023/24 had the same financial health score of 190 points and a 'good' financial health rating there were two main differences within these two academic years:</p> <ul style="list-style-type: none"> • In 2022/23 there was £632k release of planned balance sheet provisions built into the budget; this was reduced to £90k in 2023/24 and • An additional £500k had been built into the budget for 2023/24 for anticipated utility cost pressures <p>The combination of these two differences demonstrated c£1m improvement in performance in 2023/24.</p> <p>Overall, the budget had been set to remain in good financial health as well as meet the loan covenants from Santander, however, it was to be noted that the financial health rating would reduce to requires improvement if the college suffered a reduction in income of £250k with no mitigating cost reduction, which was detailed in the paper.</p>	

The COO made governors aware of the following risks:

- Staff costs / pay awards – The AOC pay recommendation would add approximately £190k to the pay expenditure next year and a similar impact in the following academic year, which was very close to the £250k reduction in income highlighted to governors which would reduce the financial health grade.
- Inflation / utilities – whilst the college had built in budget for inflation and utilities the external environment was uncertain / would these costs escalate further?
- HE income from partnerships with OLC / CLC, this was being closely monitored with regular meetings held between the Principal (Marine School), HE Lead, MIS, Finance and the COO
- HE income from the Marine – potential further impact from COVID or Ukraine
- Unknown new build costs

All of these risks were to be closely monitored throughout the year as part of the monthly management accounts - should these risks materialise, the college would need to review its staffing structures.

The Chair of F&R added that on the face of it the Committee would have rejected the budget but it was only when greater clarity was given on what was underlying that governors felt that they were able to bring the budget forward to the Board.

The Chair of F&R stressed that for the budget for 2022/23, the college was showing a deficit of £1327 after the release of provisions, meaning the underlying position was a deficit of close to £2m. As in previous years governors needed to take into account the depreciation owing to the merger (approx. £850k), which meant that the underlying position for next year was a loss of over £1m and looking further ahead in the 2023/24 budget, a prediction of £500k loss. It was noted that this came on the back of substantial increase in staffing that had taken place recently, which the College would need to see a return on its investment. The Chair of F&R stated that governors needed to understand that there was a very real risk that the College could go down into requires improvement (financial) at some point over the next two years.

It was felt that there needed to be a robust safety net plan in place, that required timely information and then governors needed to know what needed to be done if it started to veer off course.

A governor stated that the Board needed to see a longer term forecast with narrative, have an overview of the curriculum issues but also address the issue of staff leaving because salaries did not appear to be competitive in the market.

A governor noted that the budget was being presented based on several assumptions, therefore the Board should receive a progress report each quarter on the progress against these assumptions. The Chair of F&R indicated that this would be covered in the reports to the Committee.

Q. Can the College use the cashflow to support the budget if needed? The College would be using the cash to support the deficit and the College was in a fortunate position that its cash position was strong.

Q. The College signed a contract with Bellway for land of which 95% is paid up front. Does that go into the bank? Yes and it would help in terms of projections regarding ratios etc.

Q. Interest on this? Yes but didn't change the college's fragile financial position.

Q. Did the budget include more expenditure? £300,000 was built into capital.

It was suggested that sensitivity analysis be provided to help or understand the risks.

Q. Any growth opportunities around adult education work with North Tyneside Council to offset costs? Yes, generating additional income was being explored.

	<p>A concern raised was how the College was to adjust staffing in the future if needed if the Board were being told that the current staffing levels were lean.</p> <p>There was recognition that there needed to be a balance between the curriculum needs and the financial position of the College whilst being aware of increased costs in utilities and staffing.</p> <p>Resolved: That the Board approve the Budget 2022-23 as recommended by Finance and Resources Committee.</p>	
	<p>10.4 Student Union Budget 2022/23</p> <p>The purpose of the report was to request approval for the Students' Union budget for 2022/23.</p> <p>It was proposed to continue to offer the Union a budget of £15,000, which would primarily be used to pay a salary to the Student Union President, with the remaining £1.8k being available to fund activities. This would encourage the union committee to sell NUS cards as the union would receive a percentage of the sales back.</p> <p>The paper detailed how requests for expenditure were made, approved and monitored.</p> <p>Resolved: That the Board agree a budget of £15,000 and any future underspend in budget is to be allocated to the Dr Winterbottom Fund to support students.</p>	
	<p>10.5 Succession Planning</p> <p>Confidential item</p>	
	<p>10.6 Annual Review of Governance and Governance Update</p> <p>The purpose of this report was to present the recommendations of Governance and Search Committee to the Board regarding the annual review of the following and matters relating to governance:</p> <ol style="list-style-type: none"> a. Governance Structure b. Instrument and Articles of Government c. Standing Orders and Code of Conduct d. Committee composition and membership e. Terms of Reference and membership of Business and Stakeholder Groups f. Terms of reference of committees g. Business Planner 2022-23 h. Link Governor reports and roles <p>NL highlighted the following:</p> <ul style="list-style-type: none"> • The Instrument and Articles of Government (I&A) and Standing Orders - minor changes were being proposed. This included amendment to Article 4 (removing references to the Secretary of State on advice from the DfE) and updates to paragraphs relating to the appointment of the Student Governor (Vice-President as per Union Constitution). • The Code of Conduct - minor changes had been made (dates). • The Terms of Reference and membership of Committees, which included the proposed renamed Business, Community and Stakeholder Advisory Groups. Governors were asked to review the proposal for the BCSAGs and accept the recommendation that these become internal groups. The target date for implementation was September 2022. • The use of Joint Committees between TCC and TCAT had been explored. Governors were not supportive of a Joint Audit Committee, and this was endorsed by the Internal 	

Auditors, but they could see the benefit of a Joint Business Development Committee. However, the Articles/Scheme of Delegation for the Trust needed to be amended to allow for equal membership between College and TCAT Boards.

- Governors were reminded of the joint role of Chairs of certain committees with regard to automatically becoming a Member of the Trust.
- A new toolkit for Board self-assessment had just been received and consultation was to take place with the Chair of G&S Committee with a view to taking a paper to the Committee's first meeting.
- The Business Planner 2022-23 had been updated after consultation with members of the College Management Team. It was noted that the Annual E&D report needed to be moved to November.
- Link Governor positions and reports were presented for review.
- Training available through the Education and Training Foundation was outlined and it was noted that its Governor Development Programme was to be free for the first year owing to delays they had encountered in launching the programme. Outstanding mandatory training was reported and noted.
- New Build Task Group - Membership and proposed Terms of Reference was presented for approval.
- The updated Code of Good Governance was to be implemented at the beginning of the new academic year with a report going to the G&S Committee. It was noted that the Board was complying with the existing Code.

Resolved:

That the Board agree the following:

- a. **Governance Structure, subject to the BCSAGs being removed.**
- b. **Instrument and Articles of Government, subject to references to BCSAGs being removed where required**
- c. **Standing Orders and Code of Conduct subject to references to BCSAGs being removed where needed**
- d. **Committee composition and membership, as attached**
- e. **Revised Terms of Reference and membership of Business, Community and Stakeholder Advisory Groups, as presented, subject to governor representation being increased to 3 per group and these be changed to internal advisory groups.**
- f. **Terms of reference of committees, as presented**
- g. **Business Planner 2022-23, subject to the Annual E&D report being moved to November.**
- h. **Link Governors be amended to show changes to the following:**

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Area	Governor	College Contact
Data	Ian Pippin	Mandy Morris
Safeguarding	Mark Overton	Jackie Gates
Health and Safety Champion	Gary Hindmarch	Graeme Ramm
Mentor for Student Gov	Malcolm Grady	Jackie Gates / Neil Longstaff
Higher Education	Gary Hindmarch	Malcolm McBain
Cyber Safety & Data	Andy Walton	Craig Scott
Skills Development	Wendy Starks	Mandy Morris
Careers Advice & Guidance	George Clark	Mandy Morris

- i. **Link Governor reports are accepted and content acknowledged.**
- j. **The New Build Task Group membership is to consist of: George Clark (Chair), Malcolm Grady (Vice-Chair), Lindsey Whiterod (CEO), Ian Pippin (Staff**

	<p>Governor), Jackie Watson and Clive Johnson with the terms of reference as attached.</p> <p>k. That governors are to complete mandatory training where not already done so.</p>	All Govs
	<p>10.7 Safeguarding update</p> <p>Safeguarding Update – Confidential item</p>	
	<p>10.8 College HE Fees</p> <p>This paper was to confirm the Higher Education (HE) Fees for 2023/2024 academic year.</p> <p>Governors noted that this paper had been scrutinised by the F&R Committee and accepted that the College was charging as much as it possibly could for each course as governed by regulation.</p> <p>Resolved: That the Board agree the HE fees as recommended by Finance and Resources Committee and that these be published when required.</p>	SA
	<p>10.9 Internal Audit Strategy 2022-25 and Plan 2022-23</p> <p>This internal audit strategy had been considered by Audit Committee and set out the scope of the planned work to be undertaken by internal audit for 2022-23 within a wider 3-year strategy.</p> <p>The plan was developed based on consideration of the College’s strategic objectives, risk profile and assurance framework as changes within the sector.</p> <p>Potential internal audits were identified and prioritised for next year based on areas viewed as of greatest benefit and the reviews were detailed within the plan.</p> <p>It was noted that the COO and CEO had been asked to identify any areas of review that might be needed around the capital build over the next two years.</p> <p>Resolved: That the Board approve the internal audit plan and strategy as recommended by Audit Committee.</p>	
	<p>10.10 Quality reports – overview</p> <p><u>10.10.1 STC & TyneMet Colleges</u></p> <p>Confidential item</p> <p><u>10.10.2 SSMS</u></p> <p>Confidential item</p>	
	<p>10.11 Policies</p> <p>The following policies were presented to the Board for approval:</p> <ul style="list-style-type: none"> • Bursary Policy (recommended by F&R Committee) • Treasury Management Policy (recommended by F&R Committee) <p>An area being explored further was whether expert advice was needed to place funds anywhere and anytime, which seemed excessive. The COO accepted that the policy appeared harsher than it needed to be.</p>	

	<ul style="list-style-type: none"> • Subcontracting Supply Chain Fees and Charges Policy (recommended by F&R Committee) • Health and Safety Policy update <p>A governor commented that it appeared that the Lone Worker role was updated and the measures seemed appropriate.</p> <p>Resolved: That the Board agreed the above-mentioned policies.</p>	
11.	<p>Any other business</p> <p>None.</p>	
12.	<p>Identification of confidential items</p> <p>Resolved: That the following items are to remain confidential:</p> <ul style="list-style-type: none"> • Item 4 – Matters arising (Sale & Purchase Contract / Customs House) • Item 4.4 - Restricted minute • Item 07 - Report of the Chief Executive – South Shields Marine School • Item 09 - Legal Services Tender update • Item 10.1 Management Accounts and commentary • Item 10.2 Pay Recommendation • Item 10.5 Succession Planning and appointments • Item 10.7 Annual Review of Safeguarding • Item 10.10 Quality reports – overview 	
13.	<p>Date and time of future meetings</p> <p>Resolved: That the schedule of meetings 2022-23 is approved, as presented.</p>	

Chair:

Date: