



**Minutes of the 139<sup>th</sup> Meeting of the Board of the Corporation of Sunderland College held on  
Tuesday 5<sup>th</sup> February 2019 at 6pm in the Conference Room, Washington Campus**

**PRESENT:** Mr J Barnett  
Mr G Blyth  
Ms J Cramman  
Mr T Crompton  
Councillor L Farthing  
Mr R Lawson, Chair  
Ms C Magog  
Mr S Marshall  
Mr P McEldon  
Mr S Patterson  
Mr M Patton  
Mr K Ramanathas  
Mr R Saelzer  
Ms E Thinneson, Principal & Chief Executive  
Mr D Measor

**IN ATTENDANCE:** Mr N Harrett, Deputy Principal/Deputy Chief Executive  
Mr D Howells, Vice Principal (Finance & Resources)  
Mr M Hughes, Head of Hartlepool Sixth Form College (HSFC)  
Ms V Morton, Assistant Principal Student Customer Experience  
Mr I Nixon, Executive Director, Commercial Activity  
Mr M Thornton, BDO  
Mr Raoul Lempriere BDO

**ABSENT:** Mr J Phillips  
Ms K Booth  
Ms J Quinn

**MINUTE TAKER:** Maxine Bagshaw, interim Clerk to the Corporation

**BD/19/10 WELCOME INTRODUCTIONS & APOLOGIES FOR ABSENCE**

Apologies were received and absence consented to from Jonathan Phillips, Katie Booth and Judith Quinn. Round table introductions were made.

The Chair advised that, it had been intended that this would be the last meeting as a Governor for George Blyth, however he has agreed to stay on for a further academic year to support the College post-merger. If the Board approve the recommendation that he be re-appointed, then he will sit as a Governor on the Regional Board and will Chair the Regional Audit Committee. The Board were entirely happy to support the proposal made and agreed to offer him a further period of re-appointment to 31<sup>st</sup> July 2020.

**AGREED:** to re-appoint George Blyth as an independent external Governor to 31<sup>st</sup> July 2020.

Before formally commencing discussions regarding the planned agenda items, the Chair advised that the Board would receive a short update on branding developments from the Director of Marketing later in the meeting.

#### **BD/19/11 DECLARATIONS OF INTEREST**

The Chair reminded Governors to declare any interests that they may have on matters to be discussed. Mr S Patterson specifically brought to the Board's attention the fact that he is married to Emma Moody at Womble Bond Dickinson, who are the College's legal advisors in relation to the merger. The Chair thanked him for the declaration made and confirmed that going forward, it would be noted as a standing declaration. There were no other declarations made.

#### **BD/19/12 MINUTES OF THE PREVIOUS MEETING HELD ON 4<sup>TH</sup> DECEMBER 2018**

The minutes were reviewed and it was agreed that they were an accurate record of discussions.

AGREED: to approve the minutes of the meeting held on 4<sup>th</sup> December 2018.

#### **BD/19/13 MATTERS ARISING FROM THE MINUTES**

##### 1) Northumberland College Ofsted outcomes

The Deputy Principal introduced this item and confirmed that the full Ofsted report has been shared and discussed in detail by the Curriculum and Quality Committee which met on 21<sup>st</sup> January 2019. He confirmed that a post inspection action plan has now been developed and implementation of actions therein will be monitored by the local Board and Curriculum and Quality Committee going forward. He advised that the overall grade awarded was a 3 and that all aspects of provision were 'requiring improvement' except adult and 14-16 provision.

The Board were advised that the 14-16 provision is in the process of run out and will not be offered after this academic year. Adult learning programmes were found to be 'good' which is a positive. That being said, a clear focus is needed in terms of the improvements required as this will impact upon the overall position of the merged Sunderland College. He confirmed that reporting on quality post-merger will show both the overall position and also campus specifics, so that there is complete transparency regarding the relative position and progress.

He indicated that 'there were no real surprises' within the report as staff at Sunderland College had seen the position for themselves as part of the due diligence process. He believes that the actual position is representative of the Ofsted inspection outcomes. He expressed the view that the areas for improvement are clear and do include governance and leadership and management.

He drew members' attention to the summary of key findings, and in particular the areas for improvement and also the noted strengths. In discussing the strengths, the Board did question whether the interim SMT have actually been able to stabilise the finances as suggested. He expressed the view that whilst there was a lot of work to do, there was

nothing that was insurmountable. The Board noted that 6 out of the 8 areas identified for improvement relate to leadership and management and therefore it is important to address this very quickly post-merger.

A challenge from the Board was in terms of the work required to bring about necessary improvements. They asked for assurance that the costs for improvement have been factored into future plans and that the Senior team are confident that the College can address these issues, including new roles required and the funds to pay for the resource necessary. The Principal provided assurance that staff costs have been factored in to the TU 'ask' in relation to the new roles anticipated.

A challenge from the Board was that going forward, it is essential that the governance arrangements are robust and effective.

AGREED: to note the content of the update provided.

2) Northumberland College interim/acting Chair appointment

The interim Clerk confirmed that following the resignation of Jacqui Henderson, Lynn Tompkins had been appointed as the interim Chair. This is intended to be up to the point of merger.

AGREED: to note the content of the update provided.

**BD/19/14 MINUTES OF THE COMMITTEE MEETINGS**

a) Governance Committee 14<sup>th</sup> January 2019

The Board were happy to note the content of the minutes provided.

b) Curriculum and Quality Committee meeting 21<sup>st</sup> January 2019

The Board were happy to note the content of the minutes provided.

c) Resources and Capital Projects Committee 22<sup>nd</sup> January 2019

The Board were happy to the content of the minutes provided.

The Chair took the opportunity to advise that Tom Crompton, one of the current Vice Chairs at Sunderland College, has agreed to Chair the local Northumberland College Board for a year. This is to ensure that robust processes are established for Northumberland College, and as a consequence, he will lead on the shortlisting and interviews planned to recruit new Governors at Northumberland on 15<sup>th</sup> and 19<sup>th</sup> February 2019.

**BD/19/15 LEAD GOVERNOR REPORTS**

Mr S Marshall provided a lead Governor report in relation to People and Organisational Development. He confirmed that he had recently been able to meet with the Director of People and Organisational Development and had agreed with her that it would be useful to assess leadership programmes and the impact of mental health issues. He confirmed that he would report back periodically and that this information, once

gathered, would start to shape a review of the resources required. He indicated that it would be appropriate to undertake a review of governance too to assess hot spots, anxieties, stresses etc. He explained that the assessment work planned was intended to establish a 'baseline' in terms of wellbeing information and that going forward, the College can then use this to measure the impact of any initiatives introduced.

AGREED: to note the content of the update provided.

#### **BD/19/16 BRANDING**

(Redacted)

AGREED:

- a) To note the content of the update provided, and
- b) Redacted.

#### **BD/19/17 FINAL STRATEGIC KPI'S**

The Principal introduced this agenda item and confirmed that this was the second time that the planned KPI's have come to Board for consideration. She took the opportunity to thank all Governors for their feedback provided on the drafts. She confirmed that these KPI's represent the Sunderland College current position only, and that post-merger, they will be developed to include Northumberland College too. She advised that as part of the TU deal, one of the conditions will be the agreement of KPI's for Northumberland College and therefore staff will have to replicate the SC position at NC.

She indicated that, subject to Board approval, the team will then start work to produce the underpinning data tables which will set out the component parts required to ensure achievement of the strategic KPIs. She indicated the intention that the Sunderland College local Board will receive the Sunderland College metrics, Northumberland College local Board will receive the Northumberland College metrics, and the regional Board will receive the composite information.

The Board considered the KPIs proposed and one question was raised in relation to the planned outcomes for students with SEND i.e. narrowing the gap by 5%, they questioned whether this was an achievable objective. It was confirmed that the gap currently stands at circa 9.7% and that whilst the College has narrowed the gap in previous years, there is still a desire to bring this down further. Staff did acknowledge that this was a stretching target but felt that it was appropriate as an aspiration.

AGREED:

- a) To note the content of the update provided
- b) Approve the strategic KPIs for 2018/19 as presented.

#### **BD/19/18 LEARNER JOURNEY**

The Deputy Principal introduced this item and confirmed that it covered two aspects:

- a) College performance against CPIs in 2017/18 and
- b) Proposed final College performance indicators for 2018/19

He advised that this information has been discussed by the Curriculum & Quality Committee as part of a broader paper. Key matters noted were:

- English and Maths needs to be a focus and assurance was given that actions in relation to this are included within the improvement plan
- Apprenticeship provision is really positive and much improved
- There is still work to do in relation to Hartlepool, however this is influenced by some historic data. The position is looking better already in 2018/19
- Appendix 2 sets out the proposed targets for 2018/19 and will move the College to be in the 'top 10' Colleges nationally.

The Board reviewed the proposed targets and acknowledged that they were ambitious. A question and challenge from the Board was in terms of 'what does a strong and strategic focus on Maths and English look like?' It was explained that this means more direct delivery and a central delivery model. The College is currently looking to appoint a Director of English and Maths, and that this is someone who will have a strong record in terms of delivering Maths and English improvements. The Board asked for an update on the delivery model for Maths and English in apprenticeship provision. The Deputy Principal confirmed that the model has significantly changed with a very individualised approach being taken. He confirmed that he is much more confident now in terms of likely outcomes.

The Board acknowledged that English and Maths remains a national challenge and agreed that the appointment of a Director of English and Maths was required. It was suggested that someone interested in reviewing research, undertaking collaboration and doing things differently would be a real strength. The suggestion was also made for the College to learn from the school's sector.

It was noted that whilst the targets proposed cover a three year period, they will be amended and reviewed on an annual basis. The College's vision is to be in the 'top 10', this is an aim set out in the strategic plan and it is believed that the targets proposed will drive this. In terms of Board involvement going forward, it was agreed that Governors really need to monitor the high level KPIs, and then need to take assurance that there are delivery plans underneath to support the work needed.

AGREED:

- a) to note the content of the update provided, and
- b) approve the College performance indicators for 2018/19 as presented.

## **BD/19/19 FINANCE & ESTATES**

The Vice Principal Finance and Resources presented this agenda item and confirmed that all aspects had previously been reviewed by the RCP Committee on 22<sup>nd</sup> January 2019. Key matters brought to the Board's attention were:

- EBITDA is 10.2% and is therefore showing a very strong performance. The College does continue to have challenges regarding liquidity, however this does change throughout the year and should become more positive, particularly in response to the sale of Saint Peter's.
- Borrowing is 42% of income and reduces monthly

- Section 6 of the management accounts shows that cash is tight. There is an overdraft of £2.1 million in place until the end of February 2019. It is expected that the overdraft position will reduce following the sale of Saint Peter's.
- In March 2019, the College will be owed £2.3 million by the funding bodies and this does negatively impact upon available cash
- Section 6 on page 8 shows the cash balances profile. He indicated that whilst cash is tight, it is in fact exactly as forecast. He confirmed that the College does have comfort from the banks and this is influenced by the expected sale of Saint Peter's. The position will improve significantly post-merger.

The Board considered the KPIs set out in section 8 of the management accounts and noted the reducing staff costs as a percentage of income. They challenged the Senior team to ensure that it is at the right balance of income versus staff costs. They asked whether the reduction was because of a management of costs or not replacing staff. It was explained that the position is because of a mix i.e. some increased income and some vacancy factor control. It was noted that the College does, through normal business planning, annually adjust the staffing profile. All agreed that 59.5% was a very good position but challenged staff to monitor that this is because of the right balance. The Board were advised that at month end the College makes accruals regarding agency costs and it is expected that this will be lower at yearend than budget.

The Board asked for an update on the bank's view of the College. The Vice Principal Finance and Resources indicated that there were no issues, as the College had been open with them early on, and flagged up the need for overdraft facilities, particularly because of the risks associated with the sale date of Saint Peter's. He advised that the Credit Committee are relatively comfortable and are fully aware of the College's funding profile. He indicated that it is likely to have been different if the bank had had no advanced warning, or if the College had no assets to sell. The Board all agreed that they found comfort in the ongoing dialogue and that they felt assured that the bank had confidence that the College was ahead of known challenges and were on track.

A question from the Board was in relation to KPIs 4 and 5, and the observation made was that the only red RAG rated items relate to learning and learning numbers. The Board were advised that there remains a challenge in the market regarding 16-18 year olds and that now is the lowest point in the demographic profile. It is expected that demographics will increase, however only gradually.

A question and challenge from the Board was whether or not the Senior team monitor student numbers. It was confirmed that regular monitoring does take place. A challenge from the Board was that competition within the area is a significant risk and therefore student numbers, in terms of recruitment and retention, needs to be closely monitored. Assurance was given that the College does have a realistic curriculum plan in place and that forecasts are always monitored against actuals. The Board all agreed that it was important to monitor trends and challenged the Senior team to consider market share and how to expand.

AGREED: to note the content of the monthly management accounts presented.

The Board then received an estates update and received information on the two properties to be sold.

(Redacted)

AGREED: to note the content of the update provided.

The Board then received a report from the Vice Principal on College Tuition and related Fees for FE and HE level provision. He indicated that proposals presented are not that different than those in place for 17/18 or 16/17. He explained that there was a piece of work to undertake in terms of comparing the Sunderland and the Northumberland College position and full details on this will go to the RCP meeting in April 2019.

A challenge from the Board was to consider fees carefully, they felt it was important as they set the culture for the College. They would like to see that the fees are reflective of the KPIs set. A challenge from the Board was for the Senior team to review in detail the Northumberland College fees at R&CP Committee level, particularly as they are a College which is bordering on being insolvent. Their challenge is to ensure that the curriculum delivery model is viable and cost effective.

AGREED:

- a) To set the Tuition and Related Fees Policy for 19+ FE and HE provision in line with Government and funding body policy for 2019/20.
- b) Delegate authority to the Resources and Capital Projects Committee to agree the details resulting for funding body funded and other relevant provision.
- c) Delegate authority to the SLT to wave or amend fees where this is required due to market forces or in cases of individual hardship.
- d) Delegate authority to the SLT to agree appropriate fees for full cost and international work based on market rates.

## **BD/19/20 GOVERNANCE**

### **1) Governance Self-Assessment for 2017/18**

The Vice Chair, Mr T Crompton, presented this item and confirmed that a group of Governors and the Principal had met to discuss the self-assessment process and framework. Their view is that whilst the process and framework utilised may have been appropriate in the past, there was a need to think differently going forward. The Board need to consider different ways of ensuring self-improvement. What is presented today reflects the distance travelled so far. He explained that going forward, the self-assessment process needs to link more effectively to the strategic KPIs and the new Education Inspection Framework.

The Board considered the differences in the self-assessment reports for 16/17 and 17/18 and all agreed that there was evidence that the Board was now more ambitious. They felt that the governance arrangements were different to that in place a couple of years ago. A challenge from the Board was that they have not made as much progress as they would like in terms of the development of dashboards, and this needs to be a focus going forward. It was acknowledged that there have been challenges within the MIS department and the Principal/CEO confirmed that the College is out to recruit an Assistant Principal MIS who will drive this forward. A suggestion made was to identify a Lead Governor to work to push forward on the development of data dashboards.

**Action: Interim Clerk, March 2019.**

AGREED:

- a) to note the content of the report provided
- b) approve the Governance Self-Assessment report for 2017/18
- c) identify a lead Governor to work with staff to develop and implement data dashboards.

2) Regional Board Governance Arrangements

The interim Clerk presented this item and confirmed that feedback on the draft I&A's and regional Board sub-committee terms of reference had been collated and that what was presented today was the outcome of discussions/suggestions.

She reminded the Board that they had requested a short staff survey to assess whether or not staff themselves would wish to be appointed as staff Governors through an election by their peers' process, or by expressing an interest and a short interview with Governors. She confirmed that the survey had been undertaken and that the results had been very close, with 48.08% responding that they would like a staff vote and 51.92% saying that they would like to see expressions of interest in any vacancy and then meet with a small number of Governors for an interview. She confirmed that the I&As as presented for approval today include the most popular mechanism for recruitment.

The Board asked that it be recorded within the Committee terms of reference that George Blyth will Chair the Audit Committee and Paul McEldon will transfer and Chair the Finance Resources and Capital Committee.

AGREED:

- a) to approve the amended Instrument and Articles of Government as presented.
- b) approve the amended Audit Committees Terms of Reference as presented.
- c) approve the amended Governance Committee Terms of Reference as presented.
- d) approve the amended Finance Resources and Capital Committee as presented.

**BD/19/21 AOB**

There were no items of additional business.

**BD/19/22 DATE AND TIME OF NEXT MEETING**

The interim Clerk confirmed that there were a further two planned meetings in February, these are on Tuesday 12<sup>th</sup> February 2019 at 12 Noon at the Washington Campus, and Tuesday 26<sup>th</sup> February 2019 at 6pm at the Bede Campus.

**BD/19/23 CONFIDENTIAL ITEMS**

It was agreed that confidential items would be recorded separately.

Meeting closed at 8.50pm.