

**CONFIRMED MINUTES OF THE CORPORATION BOARD HELD ON FRIDAY 7 JULY
2017 AT 12.00 IN THE BOARD ROOM, CHURCH STREET, HARTLEPOOL**

Present

Graham Robson	Chairman
Patrick Smith	Vice Chairman
Sarah Fawcett	Independent Member
Ian Butchart	Independent Member
Ian Swain	Independent Member
Jane Rapley	Independent Member
Denise Ogden	Independent Member
Tim Bailey	Independent Member
David Hughes	Independent Member
Phil Trotter	Co-Opted Member
Jane Havakin	HE Staff Governor
Eyv Hardwick	HE Staff Governor
Marius Hanzak	Student Governor
Martin Raby	Principal

In attendance

Jackie White	Clerk & Governance Advisor
Stuart Slorach	Vice Principal Resources
Pat Chapman	Head of Employability and Enterprise
John Waddington	Head of FE
Mike Wheaton	Head of HE Curriculum

16.257	<u>WELCOME AND INTRODUCTIONS</u>	Action
	<p>The Chairman welcomed members to the last meeting of the current cycle and thanked everyone for their contribution over the last year. The Chairman reminded everyone that it was Marius Hanzak's last meeting and that he had graduated on Tuesday and wished to thank Marius for his support over the last two years and commenting that he had been one of the most successful student governors the Board had had and he had valued Marius's input which has always been relevant. The Principal along with all other members thanked Marius.</p>	
16.258	<p><u>APOLOGIES FOR ABSENCE</u> Apologies of absence were received from Robin Simmons and Kieron Goldsborough Independent members and Shakira Moore, Student Governor.</p>	
16.259	<p><u>QUORUM</u> The meeting was quorate in line with standing order 8.1 Meetings of the Corporation Board and its committees shall be quorate when 40% of the total membership of the Governing Body or its committee, excluding vacancies, is present, except where otherwise stated within the terms of reference for that committee.</p>	

16.260 **DECLARATION OF INTEREST**

Declarations of interest were made from the Principal, Staff Governors and staff members in attendance and the Clerk with regard to agenda item 7.4.

16.261 **UNCONFIRMED MINUTES OF THE MEETING HELD ON 28 APRIL 2017**

The minutes of the meeting held on 28 April 2017 were agreed as a true record subject to the following changes:

Page 8, 16.128, Fee Wavers, Bursaries and Access Agreement for 2018/19, 1st para, 3rd line, Paul Baine to be replaced with Paul Braine.

Page 9, 16.230, Review of the Academic Board and Deliberative Structure, title to be amended to Review of Academic Board and Deliberative Structure

UNCONFIRMED MINUTES OF THE MEETING HELD ON FRIDAY 19 MAY 2017

The minutes of the meeting held on the 19 May 2017 were agreed as a true record subject to the following changes:

Page 1, insert Strategy before Meeting on the title of the meeting and amended the venue from the Committee Room, Middlesbrough Campus to Board Room, Church Street, Hartlepool

Page 6, 16.250, Hartlepool Innovation and Skills Quarter Phase 2, from the top of the page, para 2, line 5, replace “he” with “the”.

Page 7, 16.251, Budget Issues, from the top of the page, 4th para, 1st line replace “when” with “if”.

Page 8, 16.253, Summary and overview – Thought on the day, 2nd paragraph, line relating to Jane Havakin replace “not” with “but”.

16.262 **MATTERS ARISING**

The following matters were updated:

16.017, HE Teaching and Learning overview of approach – the session to be provided by Mike will be scheduled into the learning and development programme for Governors during the next cycle of business.

16.099, KPIs, the Offer Agreement had been submitted and this matter was closed.

16.106, Feedback from Remuneration Committee, the Contribution Based Pay proposal considered previously in draft was on the agenda for approval.

16.119, Principal’s report, the staffing issue and update on the compromise agreement was on the agenda for information.

16.124, Public Value Statement, this item was complete and the statement was on the website.

16.129, Recommendations from the Search Committee, the Instrument & Articles were to be updated for consideration by the Board at the next cycle of meetings.

16.263

MEMBERS UPDATE

The Chairman offered members the opportunity to provide an update on issues not covered under the agenda.

Tim Bailey commented that he was sorry to miss graduation and hope it went well, he was delayed due to traffic issues. He was delighted to attend the opening of the degree show and wanted to mention two things – quality of work was extremely high and he was surprised at this; coming into Hartlepool he was pleased to see the amount of people walking towards the College, and felt that this demonstrates what a key part of the Town the College facility is.

Jane Havakin commented that that a graduate had just got a position at Angels Costumes which was very prestigious. David Hughes advised members that he was honoured to judge the governors prize at the Middlesbrough campus, he was blown away by the quality.

Marius Hanzak advised members that he had enjoyed opportunity as student governor and was very pleased to hear the Board talking in a caring manner about CCAD.

Sarah Fawcett discussed that she had attended a Safeguarding and E&D committee meeting in June, and that these were being held regularly, with good attendance and she feel assured subjects are being treated with appropriate debates. Members noted that there had been one Channel referral but no further referral required. The E&D Annual Report is due in Autumn and will be more detailed that previously.

Denise Ogden discussed that she had attended graduation and that it was a very family feel and the media coverage was really good. Denise advised members that the expression of interest was successful so film studio bid will go ahead.

Patrick Smith commented that he had attended graduation day and it was excellent, members noted that there were four ceremonies this year, and going forward it could expand into 2 days. Guest speaker very good.

Phil Trotter commented that he had also attended graduation and was struck by how nice it was that the Mayor turned up.

Jane Rapley discussed that she attended the New Designers conference and visited the CCAD stand and it looked good, and

was pleased to see that a CCAD student selected had been selected for tex-print.

Ian Butchart advised members that he had attended the design show later in the schedule but there was a lot of people still attending, students were very welcoming and impressive. Illustrations in Church Square were very good and credit due. Ian Swain also commented that he had attended the graduation and the format excellent and enjoyable occasion. He discussed with members that the Audit Committee had considered an internal auditor report on safeguarding and generally the College are doing what we should be doing – not a bad report.

The Chairman commented that he went to see the Little Shop of Horrors and Audrey 2 is looking tatty and thought that it could be something that a student at CCAD could pick up. It was in a theatre much the same as the space at CCAD's refurbished theatre and were therefore encouraged.

16.264

PRINCIPALS REPORT

The Principal referred members to his report and drew member's attention to the updates on the Area Review, restructure, sound stage and staff conference day in addition members noted that the Photography degree had been awarded degree of the year. Nicola Dandridge, had been appointed to the Office of Students. The Principal and Vice Principal Resources had attended a meeting with 13 Group this week, as there was a concern that if the College hit the student numbers projections we will need some bed spaces. There was a discussion on Titan House which 13 Group are looking at remodelling and the College are looking at this with them and feasibility. Phil Trotter asked what this would mean in numbers and the Principal advised this would be about 35 bed spaces.

Members also noted that the Principal and Pat Chapman had talked to parents who were looking at the 2019 entry and interested in costume, and feedback was that they felt CCAD's approach was different to other Institutes.

The Principal discussed that the College had held at Open day yesterday with 67 booked on, and about 50 turned up, the weather had been terrible so he was pleased with the attendance.

Ian Butchart referred to page 8 of the Principal's report and asked if there was an update on the attendance figures. Pat Chapman advised that at the end of the first 2 weeks, 13,000 visitors had attended; this had increased by over another 4,000 which equalled around 17,000 visitors and was only mid way through exhibition.

Ian Butchart also asked the Principal if there was an update on the College Name and he advised that we will probably hear after the summer break and this is likely to move it forward after December.

16.265

LGF PHASE 1

The Principal referred members to his previously circulated report and members noted that the College became aware of delays and design issues in relation to Phase 1 of the project early in 2017. The Board has been regularly informed, and the Project Board has considered the issues in some detail at each of its meetings. Phase 1 project costs are currently estimated to be £113K over budget. An agreed fees refund of £75K + VAT can be offset. Costs in respect of post-completion works have yet to be quantified. A good indication of the post contract works on Phase 1 has been received and the biggest element is mechanical ventilation – total cost of £41k plus VAT. The Vice Principal Resources is managing the budget on Phase 1 and 2 together so will pick up budget issues under Phase 2. Demolition costs are covered in Phase 1. Overall we think Phase 1 and 2 budget is manageable. The work for post contract phase will take around 6-8 weeks. Members noted that we will be carrying on with a Phase 1 review in next few weeks.

The Corporation Board RECEIVED the LGF Phase 1 update for information.

16.266

LGF PHASE 2

The Vice Principal Resources gave members a verbal update on Phase 2 and advised that work is being put out to tender and initial cost estimates are being pulled together which included Demolition costs from Phase 1 and car parking. Members noted that car parking costs have been stripped out of the project plan and now the planned costs are around £650k. At this point in time with the two elements brought together we should be able to pick up the overspend on Phase 1 within the whole budget. The Vice Principal advised that quotes have been received for all the AV and lecture theatre equipment, theatre design companies have been discussing ideas for the theatre and it looks like we will delivering this project late but there are operational contingencies in place with the old lecture theatre up and running and we will also continue to use Hartlepool FE lecture theatre whilst we complete the works.

Phil asked whether the use of the Hartlepool FE College theatre is just for next term and the Vice Principal Resources confirmed this.

The Principal commented that we have enhanced the specification of the lecture theatre as we want automated lecture capture and theatre specification reviewed. Members noted that a range of issues regarding disabled access had been discussed and although the College could not accommodate access to the control booth at the back of the stage it was likely that students with disabilities could be accommodated using a slaved control panel backstage in the main area.

Sarah commented that she struggled to understand where we are with the numbers, and would find a one page summary, for

completeness useful identifying what our original expectations were of Phase 1 and Phase 2 and what they are now.

Sarah also discussed that the financial reports just look like we are at breakeven and that she doesn't understand the capital arrangements so again it would be useful to have more information on this. Sarah commented that she was heartened that we can afford the project.

The Vice Principal Resources agreed to pull something together and circulate to members.

VP
Resources

The Corporation Board RECEIVED the LGF Phase 2 update for information.

16.267

KPI AND DASHBOARD

The Vice Principal Resources spoke to the previously circulated report and drew member's attention to the supporting narrative.

Phil referred members to the Master target book with regard to staff turnover and commented that it is difficult to say what the target should be. The Principal commented that the report is based on last year as this year hasn't ended yet so will keep an eye on it.

Patrick commented that he would be unconcerned with regard to staff turnover and that he would focus on staff absence rate of those not on long term sick. The Principal confirmed that the College had recently changed the policy which now picked up short term absences.

David asked the Vice Principal Resources how the targets have been set and how the College benchmark themselves and the Vice Principal Resources advised that the targets are sector standards. The Principal commented that there will be an annual report on these areas and we have generally been below the sector average.

Ian Swain asked how the benchmarks are set in general, referring members to page 2 FE-HE progression and retention figures and asked if is there a feeling that more could be done to improve or is the target too high. The Principal commented that we could do more. Pat Chapman advised that the targets we are aiming for are aspirational and drive improvement in FE/HE transfer based on an uplift of a 3 year trend. John Waddington commented that there are lots of other targets which sit behind this one which are more stretching. The Principal advised members that there are other targets which are linked to performance, particularly for HE linking to growth and will be determinants of whether you get appropriate reward and recognition.

David commented that strategically as we head to TDAP, which is a very important journey, he is not sure we have measures in place to measure that progress. The Principal commented that

he is not sure it is measurable in the same way, advising that it is much more of a qualitative process. David went on to comment on the scholarly activity which worries him most and the Principal advised that there are things that we can quantify around scholarly activity but TDAP generally is a quality process. Jane commented that one of the requirements for Bournemouth is a time scale for accreditation.

The Principal discussed that some measures from a milestone plan would be entirely possible and Patrick referred members to the 100 point plan previously received at the Board.

The Principal commented that TDAP is not just about the deliberative structure and we need to look at behaviours in the institution and other things.

The Corporation Board NOTED the KPI and Dashboard update

16.268

FE AND HE RETENTION

John Waddington and Mike Wheaton referred members to the previously circulated report which provided members with an update in relation to FE and HE retention data. Improving FE and HE student retention has been a key objective for several years. The report shows the current (pre-year end) position in relation to FE and HE retention. Both data sets show evidence of improvement. Recent National Achievement Rates Table (NART) data has been used in generating the FE comparatives. For HE, it should be noted that a significant factor in retention is the likely level of failure, which will be determined by the academic process which has not yet concluded.

The Principal advised members that retention is a contributor to getting TEF gold.

Phil asked John and Mike why there is a difference in terminology between FE and HE which is not helpful and was advised that it is a sector use of terminology.

Mike advised members that the results are affected by small cohorts.

Tim commented on retention at level 4 and asked if is the student experience component of that is key to students seeing a way forward. The Principal commented that we need to work on transition. We could learn some lessons on what the early stages of their experience would be. Thinking about first few weeks on transition. Eyv Hardwick commented that she had discussed this issue in the College working group and what had been undertaken to address this was to extend the welcome week to run throughout the year.

Jane discussed that it is about realistic information and we need to provide this.

The Corporation Board NOTED the update on FE and HE retention.

16.269 **AN OUTLINE OF NEW HE PROGRAMMES**

Confidential report.

16.270 **REPORT ON THE PARTNERSHIP WITH ARTS UNIVERSITY BOURNEMOUTH**

The Principal referred members to his previously circulated report and members noted that the College's internal auditors, in reviewing significant partnership arrangements, suggested that the College should review key relationships annually. Members noted that College's relationship with AUB is extremely positive and continues to develop.

Phil commented that he found the report to be very encouraging and demonstrated the thoroughness of which AUB are approaching the relationship.

Jane commented that she thinks that these are very good partners for the College.

Ian Butchart referred members to page 11 of report and asked for a copy of the library report and discussed that he thought the relationship of academic staff and library was already good and the Principal commented that it was and has been developing.

Sarah referred members to section 6 student feedback which she thought was excellent.

The Corporation Board RECEIVED the report on the partnership with AUB

16.271 **ACADEMIC BOARD DELIBERATIVE STRUCTURE**

The Principal referred members to his previously circulated report and members noted that the report proposes that the Higher Education Academic Committee be merged with the Academic Board, and that the Academic Board (as newly constituted) should meet more frequently. This proposal was endorsed by the Academic Board at its meeting on 21 June 2017. Given the College restructuring exercise the membership was not finally determined, and it is suggested that this aspect of the Terms of Reference be delegated to Chair and Principal to finalise. The Principal, as Chair of Academic Board, already has delegated authority to agree this issue on behalf of Academic Board.

Ian Butchart referred members to page 12, Appendix A – library collection policy which was reviewed by the scholarly activity group which he was supportive of but asked whether the policy is appropriate for the curriculum development etc. The Principal agreed and advised that some further work regarding clarification around scholarly activity and research to underpin this was required.

Principal

Jane commented that the only area which is vague is around being explicit around membership, the type of membership and how they are selected such as nomination and election. You need to make sure you have space for the levels you want to have on here, the Principal agreed and advised that this will be kept under review.

Principal

Ian Swain left the meeting – 2.20 pm.

There were a number of specific changes highlighted including:

Remove – responsibilities around approval of staff to ...
Remove - page 7 – recommendations from the HE academic committee
Role for Committee? – discipline and undergraduate charter
Include – post graduate as well as undergraduate
Clarity on wording page 6 – item 9; and general responsibilities – potential for tension between academic board and management

Principal

The Corporation Board APPROVED the Academic Board Deliberative Structure

16.272

ACADEMIC STRATEGY

Mike Wheaton referred members to his previously circulated report and members noted that a recommendation of the Arts University Bournemouth institutional revalidation was that the College should agree an Academic Strategy and submit this to AUB by early September. The issue has been discussed informally by management and has been considered by the Extended Principalship Team, Academic Board and at the Staff Conference and the Board were asked to approve the Strategy.

Phil commented that the approach throughout Strategy was spot on referring to the “what this means to us”.

John Waddington advised that it was worth mentioning that the academic staff were given the key points and they contributed to writing the what does it mean to us

Jane Havakin commented that it was really good to get the staff connected to it.

Sarah echoed the others responses but referred members to section 5 and noted that it felt like something was missing – and perhaps the following might be included “celebrate individuality and diversity and maximising opportunity and students potential “– needs to be broader than it reads.

The Chairman commented that he felt the Strategy was broadly good but could do with the elevator conversation – what is my one sentence. Mike Wheaton advised that the one sentence is the Mission Statement.

The Corporation Board APPROVED the Academic Strategy.

16.273

TEF UPDATE

The Principal referred members to his previously circulated report and advised that the College received a Gold award. This is very positive and hopefully will assist in boosting HE recruitment for 2018.

Denise commented that it was great news but advised that it is about retaining it as well and the Principal advised that he fully recognise the need to do this.

Ian Butchart congratulated- the Principal.

16.274

COLLABORATION WITH NATIONAL MUSEUM OF THE ROYAL NAVY

Pat Chapman referred members to his previously circulated report and members noted that the recent creation of the National Museum of the Royal Navy in Hartlepool offers the College many opportunities for curricular and other collaboration.

Patrick referred members to page 2 – augmented reality – and asked what it is? Pat commented that it is a mechanism for triggering imagery or video on your mobile device whilst walking around the facilities.

Sarah asked if any of this was an income generation opportunity for us and Pat advised that it was more reputational and community contribution at this stage and working on real projects on curriculum delivery.

Tim commented that the real future benefit will be when the MA creative enterprise people get to work, it will be a good start in their business.

Denise commented that the Council are developing a programme board between the three bodies to develop the strength between the partners and also that the collaboration was also about sustainability of local economy.

Jane discussed that the College should continue to think about income generation and if it becomes a model which could be marketed to other enterprises and if it generates live products you can charge for this. If it works you can set up a marketing process for your graduates.

The Corporation Board NOTED the update on the NMRN collaboration.

16.275

TVCA CAPITAL PROJECTS UPDATE

Confidential report.

16.276

MANAGEMENT ACCOUNTS

The Corporation Board received the management accounts as a silent paper. The highlights are:

Year to date results to May for the 2016/17 financial year are showing an operating surplus of £539k which is better than the forecast surplus by £31k. Cash balances are £4.6m due in part to receipt of cash in advance of claims from TVU.

At this point in the year the majority of the variations are due to timing differences between the budget and the actual transactions coming through the accounts.

The forecast position for the rest of the year is a small surplus.

16.277

PROPOSED REVENUE AND CAPITAL BUDGETS 2016/17 AND 2017/18

The Vice Principal Resources referred members to his previously circulated report and members noted that the College has produced a draft budget for the coming 2 years.

The key points within the budget are:-

- Student numbers are expected to rise at HE over the budget period
- Income sees an increasing importance on HE fee income as the College looks to follow its current Strategy, moving from 55% in 16/17 to 58% in 18/19
- Pay costs are increasing year on year with an anticipated pay rise for staff of 1% in years 2017/18
- Non Pay costs are expected to increase as 1 Church Street becomes operational
- Depreciation and interest being to increase as result of 1 Church Street
- EBITDA of £86k in 17/18 increasing to £579k in 18/19
- Charge to the P&L of c.£549k for accelerated depreciation relating to demolished buildings in 16/17
- Cash balances expected to remain over £1m whilst continuing to invest in buildings and equipment over the period
- Financial Health Grade of Satisfactory in 2017/18 moving back to Good in 2018/19

The Chairman commented that in the light of comments from government and opposition on the public sector pay gap whether 1% would be enough. The Vice Principal Resources advised that he can't see it having an impact on next year but probably the year after – there is enough coverage in the numbers to take a larger hit if we meet the student numbers. Financial health for the College is predominately based on having large cash balances.

The Principal advised members that the ESFA visited the College a couple of weeks ago and talked through financial plans and they were fine. It is common for financial health rating to reduce following a building project such as the one we have just been through.

In terms of the recommendations the Board APPROVED the following:

2017/18 1% Pay Rise for Staff
2016/17 forecast outcome
2017/18 budget
2018/19 – forecast

16.278

INTERNAL AUDIT PLAN 2017/18

The Vice Principal Resources referred members to his previously circulated report and members noted that the Audit Committee had recommended approval by the Board of the Internal Audit 3 year strategic and annual internal audit plan. The document set out the scope of planned work to be undertaken by internal audit for 2017/18 within the longer term strategic plan and these plans were developed based on consideration of:

- business priorities and objectives, through discussions with management;
- the College's risk register;
- requirements for internal audit; and
- consideration of key business processes.

Through these activities, potential internal audits were identified and prioritised for 2017/18 based on those areas viewed as of greatest benefit. The following reviews are planned:

- Marketing
- Succession planning / capability
- Fixed assets
- Student recruitment
- Follow up and
- treasury management.

Patrick asked the Vice Principal Resources when the current term for the auditors ran out and this was confirmed that it was this year and it will need to go out for tender.

The Corporation Board APPROVED the Internal Audit Plan

16.279

RESERVES POLICY

The Vice Principal Resources referred members to his previously circulated report and members noted that the Charity Commission is advising all charities to have a reserves policy. This is to help charities secure their viability beyond the immediate future and provide reliable services over the long term. It is recommended that the College holds a minimum of £500k unrestricted reserves in order to carry on operations for a period of time which will assist in covering costs should a major income stream reduce. The College monitoring process means that income is known months in advance which allows College management to plan accordingly. Cash balances above this

amount are held for liquidity, working capital and investment purposes.

Members noted that the Audit Committee had considered the policy and recommended approval by the Board.

The Corporation Board APPROVED the Reserves Policy

16.280 **STRATEGIC OBJECTIVES APPROVAL INCLUDING A REVIEW OF THE COLLEGE'S MISSION STATEMENT AND EDUCATIONAL CHARACTER**

The Principal referred members to his previously circulated report and members noted that the College's current 2016/2020 Strategy Plan was approved last year. It is recommended that this is rolled over until the Board Strategy meeting in order to incorporate the Academic Strategy and supporting key documents.

The Corporation Board APPROVED the recommendation to roll forward the Strategic Plan

16.281 **DETERMINATION AND CHAIRMANSHIP OF THE BOARDS COMMITTEES**

The Clerk referred members to her previously circulated report and members noted the recommendations for membership and chairmanship of the Board sub committees for 2017/18.

The Corporation Board APPROVED the recommendations

16.282 **ELECTION OF CHAIR AND VICE CHAIR**

The Clerk gave a verbal update with regard to the process for appointing the Chair and Vice Chair of the Corporation Board.

Members noted that Graham Robson had been the only nomination for the Chairman and the Corporation Board APPROVED Graham Robson as Chair for a further term of office to run in concurrent with his governor term of office.

Members noted that Patrick Smith had been the only nomination for the Vice Chair and the Corporation Board APPROVED Patrick Smith as Vice Chair for a further term of office to run in concurrent with his governor term of office.

16.283 **RECOMMENDATIONS FROM THE REMUNERATION COMMITTEE**

Confidential report.

16.284 **REVIEW OF MEETING CONDUCT AND IDENTIFICATION OF ITEMS FOR INCLUSION ON THE RISK REGISTER**

It was agreed that the risk register should be checked to see if risks on development of new programmes was included, otherwise they should be.

With regard to the meeting conduct, members felt that the meeting had been chaired well and that chairing from the top of the table was better.

16.285 **CONFIDENTIAL ITEMS**

It was agreed that that papers covered in Section 5 Growth and Section 7 Leadership and Governance be treated as confidential.

16.286 **MINUTES OF SUB COMMITTEES**

The minutes of the following sub committees were received for information:

Audit Committee held on 10 March 2017,
LGF Project Board held on 31 March 2017, 28 April 2017, 12 May 2017, 26 May 2017

16.287 **ANY OTHER BUSINESS**

There was no further business and the meeting was closed.

16.288 **DATE AND TIME OF NEXT MEETING**

The next meeting of Corporation Board will take place on 6 October 2017 and will be a Strategy meeting; the meeting planned for the 17 November 2017 will be the next formal meeting of the Board.

Signed:

Date: