

**CONFIRMED MINUTES OF THE MEETING OF THE CORPORATION BOARD  
HELD ON FRIDAY 19 DECEMBER 2014  
IN THE COMMITTEE ROOM, MIDDLESBROUGH CAMPUS**

**Present**

Graham Robson	Chair, Independent Member
Phil Trotter	Independent Member
Sarah Fawcett	Independent Member
Mark Stokeld	Independent Member
Bob Kerr	Independent Member
Patrick Smith	Independent Member
Ian Butchart	Independent Member
Ian Swain	Independent Member
Steve Blanks	Independent Member
Jamie Macdonald	Staff member
Andrea Goodwill	Staff member
Martin Raby	Principal
Jenny Morrison	FE Student Member
Amy Rodgers	HE Student Member

**Also in attendance**

Jill Fernie-Clarke	Vice Principal Academic
Stuart Slorach	Vice Principal Resources
Jackie White	Clerk to the Corporation
Tricia McKenzie	Head of School of Design (for L&D)
Margot Skelton	Quality Manager (for agenda item 2.1 and 2.3)
Claire Leece	Baker Tilly (for agenda item 4.3)

**WELCOME AND INTRODUCTIONS**

The Chairman welcomed members to the meeting.

**GB14 0041 LEARNING AND DEVELOPMENT SESSION**

Tricia McKenzie attended and discussed with the Corporation Board the Higher Education Review, which the College will be subject to on 1 February 2016. The key elements of the review were discussed along with the review process. Members noted that plans were in place to manage the review including communication with staff and students.

The Chairman suggested that it would be useful to speak to Lucy Bannister, ex pupil and Student Reviewer at the Quality Assurance Agency regarding the role of the student reviewer and how it works.

The Chairman also suggested that the dates for the Corporation Board meetings next year are programmed to align with the timetable for the review.

VP  
Academic

Clerk /  
Registrar

Patrick Smith questioned the most critical points in the timetable leading up to the review and Tricia confirmed that she felt that the self evaluation document needed to be given sufficient time and that perhaps some consultancy support in preparing the document would be critical.

Ian Butchart suggested the key writing team for each of the sections start writing up their sections, so that this information can be revised until ready to submit. He also felt it would be important to ensure staff have read the code, not necessary know the detail but at least looked at.

The Principal added QAA had a stand at the AOC conference and following a discussion they agreed to come to the North East to discuss the HER.

The Chairman questioned what role the Academic Board would play in terms of the review and Tricia suggested that it would depend on the evaluation process.

Patrick Smith questioned the grading process and whether it was RAG rated or scored. The Principal confirmed that it related to level of competency, for example meets expectations.

Ian Swain asked how often the College would need to participate in a review and Tricia confirmed that it was about 4 years since the last one, but it would depend upon the outcome of the next one how quick we would be followed up.

The Chairman thanks Tricia McKenzie for attending and providing an update for the Corporation Board.

**GB14 0042 APOLOGIES FOR ABSENCE**

Apologies for absence had been received from Charly Butler and Robin Simmons.

**GB14 0043 QUORUM**

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.

**GB14 0044 DECLARATIONS OF INTEREST**

No declarations were raised.

**GB14 0045 MINUTES OF THE PREVIOUS MEETING.**

The minutes of the previous meetings held on 21 November 2014 were recorded as a true and accurate record.

**GB14 0046 MATTERS ARISING**

**Min ref: GB14 0024** - It was agreed that a Student Accommodation and Property Working Group meeting be established and given delegated authority to review and approve

Clerk

the LCF project business case. The meeting took place on 031214.

**Min Ref: GB14 0024** - It was agreed that the Clerk revise the process for appointing new Governors and this is still outstanding.

Clerk

**Min Ref: GB14 0025** – it was requested that the minutes of the Safeguarding Committee be shared with the Corporation Board and the Vice Principal Academic confirmed that these would be circulated.

VP  
Academic

**Min Ref: GB14 0026** – it was agreed that Ofsted would remain as a standing item on the Corporation Board meeting and this is on the agenda.

Clerk

**Min Ref: GB14 0031** - The Board wished to thank Clare for her hard work and the Chairman sent an email to thank her.

**Min Ref: GB14 0032** – The Annual Overview Report is on the agenda.

**Min Ref: GB14 0034** - It was requested that the Clerk re-word the Conflicts of interest policy section Failure to disclose a relevant interest for consideration at a future Board meeting and this is still outstanding.

Clerk

**Min Ref: GB14 0036** - It was agreed that the Clerk would email members to see if anyone is interested in being a member of the Governance Oversight Working Group. Mark Stokeld, Martin Raby, Phil Trotter and Patrick Smith have expressed an interest.

**Min Ref: GB14 0037** - The Chairman suggested that the Political landscape be added to the high level risks and these are included on risk register.

**GB14 0047 MEMBERS ISSUES**

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

Sarah Fawcett confirmed that she had met with her buddy in HE Fashion and had had a good meeting. Phil Trotter advised members that he had met twice now with his buddies in FE and HE and had welcomed the involvement and opportunities to meet with staff and students. In addition, he advised that he had agreed to meet with the FE and HE Heads of School to discuss conversion rates early next year. Ian Butchart advised that he had met his buddy and students and had an opportunity to discuss many things. Mark Stokeld and Patrick Smith confirmed their plans for meeting with buddies in the new year and Bob Kerr discussed that he had met with his buddy and was very happy.

**GB14 0048 PRINCIPALS REPORT**

The Principal referred members to his previously circulated report and advised members that the purpose of his report is to update governors with respect to a number of issues which are not considered in specific agenda items and to highlight key aspects of items on the agenda. The Principal discussed with the Corporation Board that he would like to explore international links with IADT Dún Laoghaire which is a specialist institution in Eire. The Institution delivers HE art and design degree programmes and the Principal asked the Board to approve an initial visit to IADT in 2015 by a small group of College staff, to explore the possible benefits of a closer working relationship between the two institutions.

The Principal highlighted some additional issues not included in his report including a letter which had been received from Hartlepool Council in respect of the creation of a Tees Valley Combined Authority. He advised that he has invited Denise Ogden, AD Regeneration Hartlepool Council to speak to the FE Plus Group on Wednesday regarding the letter and the impact a Combined Authority would have on education in the Tees Valley.

Steve Blanks commented that regionally there had not been much support for Combined authorities from the Regional LEP.

The Principal also commented that he had been asked by the Academic Board to write to the Chancellor of AUB with regard to the nominated link person and the issues which had been previously reported to AUB with regard to this person.

The Principal advised members that in relation to the data book, attendance is a slight issue which they should be aware of.

Phil Trotter questioned the comments regarding Barclays Bank who had declined to provide a letter with regard to providing funding. The Vice Principal Resources confirmed Barclays Bank wanted to undertake due diligence before an offer.

The Corporation Board **NOTED** the Principals report and databook and **APPROVED** the proposal for a visit to Eire to initiate institutional links with IADT.

**GB14 0049 SAR / QUIP**

The Quality Manager presented the SAR and QuIP to members who noted that the College has graded itself as good overall (grade 2). Judgements within the SAR which contribute to this overall grade are as follows:

Outcome for Learners – Good (grade 2)

Teaching, Learning and Assessment – Good (grade 2)

Leadership and Management – Good (grade 2)

Members noted that the SAR and QUIP are working documents and that all staff should be familiar with it. Margot confirmed she is planning staff sessions on the SAR/QUIP in the new year. Finally members noted that the document had been sent to two

colleges for peer review and feedback had been received which confirmed that the grades and comments were appropriate.

Sarah Fawcett questioned whether both the SAR and the QUIP would be uploaded as some of the words in one of the documents were negative and although correct in statement Sarah suggested that we might wish to change the language.

Quality  
Manager

Ian Butchart also questioned whether there was an agreed terminology that was required to be used against each of the statements and Margo advised that there was not.

The Chairman commented that the list of points on statements of excellence and improvement were combined and these should be separated.

Quality  
Manager

The Principal advised members that the SAR is the first document and the QUIP follows.

The Chairman concurred with Sarah Fawcett's comments on terminology and suggested that this be looked at.

Quality  
Manager

Phil Trotter commented that he felt that the documents were very clear and concise.

The Corporation Board **DISCUSSED** the SAR and QUIP.

**GB14 0050** **FE+ ANNUAL REPORT**

The Principal spoke to the previously circulated report and advised members that the purpose of this report is to provide an update on the work of FE+ in accordance with point 4.1 of the 'Memorandum of Understanding'. This report will also provide the Board of FE+ with an update on activities during 2013/14.

The Corporation Board **APPROVED** the FE+ Annual Report.

**GB14 0051** **FE QUALITY STRATEGY**

The Quality Manager presented the Quality Strategy which provides members with an overview of what the Quality Department will do to support the 5 key objective set out within the Strategic Plan of the College. The Quality Strategy sets out the strategic plan for FE Quality over the next 3 years.

The Chairman commented that he felt the plan was very high level and that it may be useful to delve underneath the plan. The Vice Principal Academic confirmed that there are several operating plans which sit underneath the Quality Strategy and support delivery of the Strategy.

Ian Butchart suggested that the Vice Principal Academic produce a mind map of how all the operational plans and strategies for the College come together to deliver the Strategic Plan.

VP  
Academic

Phil Trotter commented that again he felt that the plan was appropriate in size and content.

The Corporation Board **APPROVED** the Quality Strategy.

**GB14 0052** **OFSTED PREPARATION UPDATE**

The Vice Principal Academic spoke to the previously circulated presentation which had been produced following a College internal Ofsted inspection (Mocksted). The key issues were identified on page 3 of the presentation, areas of improvement, and will form an action plan for staff going forward.

Patrick Smith questioned whether we could assume that the issues identified were not surprises for staff and the Vice Principal confirmed that yes they were common knowledge for the mock inspectors but for some staff it was a bit unexpected.

Andrea Goodwill commented that staff felt that it was a very positive and supportive exercise.

Members noted that one of the issues related to the use of Moodle and student governors were asked on their views regarding the system. Both students confirmed that they did not generally use the system but teaching staff had referred them to it on occasion.

The Chairman requested an update on Moodle be covered at the next meeting including what it is delivering now and what it will deliver in the future. He also suggested that an Independent Governor link with Paul Fletcher on the issues.

The Chairman thanked the Vice Principal for a good and helpful report.

Phil Trotter suggested that the governors do further work on Ofsted and suggested a Board Mocksted be undertaken and this was agreed to be held in February.

Clerk / VP  
Academic

The Corporation Board **DISCUSSED** the Ofsted preparation report.

**GB14 0053** **HE STRATEGY – TDAP**

The Vice Principal Academic spoke to the previously circulated report which provided a summary of progress against the objectives stated in the HE Strategy with regard to Objective 5 – Achieve Taught Degree Awarding Powers. It was discussed that at least one fifth of the teaching staff have been at CCAD for more than fifteen years and have been successful under the Teesside regime, which did not require the rapid shift in attitudes that the TDAP journey requires. Academic members of staff should be active, engaged participants who debate matters from an informed standpoint demonstrating critical thinking. This is appears to be a relatively new concept. For TDAP the academic staff need to be the driving force of the institution with managers facilitating what we deliver. This is currently not the case and

there needs to be a change in attitudes and behaviours to support independence.

The Principal commented that this development is a journey for all groups of staff, the Principalship and Governors and we need to keep this development running in a synchronised way.

The Vice Principal Academic went on to discuss that in terms of the TDAP journey we need to offer Masters level provision or demonstrate that our Academic Staff have taught at Masters level, however AUB do not at this point wish to validate a Masters provision at CCAD. One solution would be to find a validating partner who would be open to this, we have a good relationship with University of the Arts London (UAL) and internally we have tentatively discussed their validation of Masters at CCAD as an option.

The Chairman questioned what the next steps were on Masters level provision and the Vice Principal Academic commented that she felt that the College needed a couple of years of excellent HE provision which is agreed by AUB but that we could demonstrate readiness now if we were selective about programmes.

Bob Kerr questioned what the age profile of staff were and Jill confirmed that staff were within the 40-55 category.

Patrick Smith commented that he felt that the report indicated that there would be some staffing turmoil over the next few years. The Vice Principal Academic confirmed that she had been undertaking staff meetings on change and progression since September. The Principal confirmed that it will take some time to turn attitudes and behaviours around, but the staff are very valuable.

The Chairman suggested that an operational plan detailing the change process and the skills and attitudes that will be required for the future is developed.

Ian Butchart felt that the TDAP timescales were still tight and very ambitious and that it may take longer than anticipated but the outcome will be great.

Phil Trotter questioned the solution with regard to the University of the Arts London (UAL) validating Masters at CCAD and the Principal confirmed that the College would still wish for AUB to be the validating partner, however UAL did validate some provision at AUB so were known to both Corporations and it may be worth a conversation.

The Corporation Board **DISCUSSED** the HE Strategy TDAP update.

VP  
Academic

The Vice Principal Academic spoke to the previously circulated Quality Strategy which outlines the HE Quality and Academic Standards strategic objectives. The strategy is presented in a way that clearly shows how the HE Quality and Academic Standards Strategy supports the Colleges overall strategy. Members noted that most of the HE quality efforts are focussing on adherence to the quality code and HER.

Again Phil Trotter commented that he felt that the report was clear and concise.

The Corporation Board **APPROVED** the Quality Strategy.

**GB14 0055 ANNUAL OVERVIEW REPORT BOURNEMOUTH**  
Confidential paper.

**GB14 0056 INTERNAL AUDIT ANNUAL REPORT YEAR ENDING 31 JULY 2014**

The Vice Principal Resources spoke to the previously circulated report and confirmed that the agreed level of internal audit input of 24 days had been delivered. It was noted that the Internal Audit Service had complied with the public sector internal audit standards. In addition Internal audit were able to place reliance on the system in operation for the six areas reviewed during 2013/14 in respect of the college's ability to achieve its aims. Finally KPMG confirmed that it was their opinion that the College has adequate and effective risk management, control and governance processes to manage the achievement of the objectives.

Phil Trotter asked the Vice Principal Resources if the College received good value for money from KPMG and he confirmed that KPMG had picked issues up quickly and effectively as well as being challenging and confirmed that he did feel they had provided value for money.

The Corporation Board **APPROVED** the Internal Audit Annual Report.

**GB14 0057 ANNUAL REPORT OF THE AUDIT COMMITTEE**

The Vice Principal Resources presented the Annual Report of the Audit Committee which had been previously circulated. Members noted that the report set out that the Audit Committee concludes that it is satisfied with the adequacy and efficiency of the College systems of internal control.

The Corporation Board **APPROVED** the Annual Report of the Audit Committee.

**GB14 0058 FINANCIAL STATEMENTS**

The Vice Principal Resources referred members to his previously circulated report identifying that the report and the Independent Auditor had given the College a clean opinion. It was noted that there is a larger surplus than originally anticipated due to some of the property costs being moved into 2015/16.

It was noted that there were no issues with the Bank covenant but it was likely that over the next few years with lower FE numbers that the position may get tight.

The Principal advised members that there may be an issue this financial year which may affect the Bank Covenant with regard to paying the staff the pay award. Members noted that at this stage this issue is still being worked through.

The Corporation Board **APPROVED** of the Financial Statements 31/7/14.

**GB14 0059** **MANAGEMENT ACCOUNTS FOR 30 NOVEMBER 2014**

The Vice Principal Resources spoke to the previously circulated report and highlighted to members that the year to date operating loss was £422k which is £44k worse than budget. Income is at £173k behind which is across a number of areas and a forecasting exercise is taking place to look at the HE fee income which will be less than budgeted due to less than expected recruitment and retention. Pay expenditure is £110k less than budgeted as a number of post are yet to be recruited to within teaching support, administration and marketing. The budgeted 1% pay-rise has not been implemented which also contributes to this variance and non-pay expenses are £19k less than budget relating to savings across a number of areas is offset by the Lime Crescent and roofing works costs which have meant that the premises budgets are £177k over budget in the first 4 months of the year.

The Vice Principal Resources confirmed that he is working on a full year outturn forecast to determine the impact of the lower than expected HE recruitment and retention and the roll-over of costs from 2013/14 in relation to the works relating to both Lime Crescent and the College Condition Fund. Based on the paper presented to the Board on 21<sup>st</sup> November the delays in expenditure relating to these 2 projects this should lead to a potential loss of £74k in 2014/15.

Initial indications are that the College can defer or reduce expenditure that will cover the loss in student fee income but not the timing difference from the property projects and that a loss of £74k is likely. Further review may reduce this further and will be communicated in January.

The Corporation Board **APPROVED** the Management Accounts for November 2014.

**GB14 0060** **FINANCIAL STATEMENTS AND REGULARITY AUDITORS MANAGEMENT LETTER**

a) Audit Findings report of the external auditors – Clare Leece from Baker Tilly spoke to the previously circulated report which summarised their key findings in connection with the audit of the financial statements and regularity audit of the College. It was noted that in relation to Going Concern, Baker Tilly

confirmed that they have reviewed the initial 2014/15 budget report and forecasts and the assumptions used thereon as part of their work and had not identified any areas of concern and the review of the covenant calculations were reasonable. The College's financial results for Financial Health criteria had not identified any areas of concern. In terms of income recognition it was noted that policies are consistent with guidance, one off sources of income had been appropriately accounted for and disclosed and that income is recognised appropriately. For FRS17 it was confirmed that this had been considered by the College and it appeared reasonable and consistent with similar schemes and that the financial statements in relation to the pension liability are correct. No controls had been overridden when testing the management of controls. In relation to the regularity review, Baker Tilly confirmed that they had reviewed the work of the internal audit service and procedures and controls were tested and there were no issues. In terms of building works it was noted that audit adjustments had been agreed with management to adjust the year end accruals to give appropriate cut off of the costs at 31 July 2014 and to defer the income received from the SFA pending completion of the project.

- b) Draft Letter of representation – Clare Leece from Baker Tilly spoke to the previously circulated Appendix A draft letter of representation which sets out the opinion of the External Auditor on whether the financial statements give a true and fair view.

Claire  
Leece,  
Baker Tilly

The Corporation Board **APPROVED** the External Audit reports.

**GB14 0061** **HIGH LEVEL RISK REGISTER**

The Vice Principal Resources spoke to the previously circulated report which provided members with an update on the high level risks affecting the College. Members noted that the Risk Register was presented to the Audit Committee on 5<sup>th</sup> December where Governors asked for updates on the key risks, new risks and areas where risk had increased.

The report gives the opportunity for the Corporation Board to see the areas which are of highest risk and require the most scrutiny and monitoring over the coming months.

Key risks are as follows

- HE Under-recruitment – impact on 2014/15
- FE Under-recruitment – impact on 2015/16
- Student Retention
- Political landscape
- Student Accommodation is insufficient to meet future growth requirements – risk to 2015 and 2016 intakes
- Local Growth Fund Project – risk that does not pass due diligence
- Local Growth Fund Project – loan finance not available

- Local Growth Fund Project – diversion of management time and effort
- The College remains financially viable in the short term but unable to invest adequately in resource improvement or curriculum development in the medium term
- Lack of suitable student accommodation results in failure to achieve HE student recruitment targets
- The College is unable to increase recruitment from the College's FE student cohort
- The College has poor destination (employment) data from the DLHE survey, negative impact on the attractiveness of the provision
- Lack of innovative curriculum offer makes CCAD less attractive to potential students
- Conversion rate of applications to enrolments is lower than expected

He commented that he felt assured that the risks contained within the report were accurate and most of which had been discussed in reports at today's Board meeting.

Phil Trotter commented that he felt that management time and effort being diverted onto the two large projects which were currently being delivered by the College should be discussed in more detail. However Ian Butchart felt that it was a management issue and should be brought to the Board if appropriate. The Chairman confirmed that it is part of the Boards responsibility if things are delivered late or not completed and the impact this is having on individuals and that it is appropriate to have on the risk register.

The Corporation Board **DISCUSSED** the High Level Risk Register.

**GB14 0062** **UPDATE ON LOCAL GROWTH FUND SUBMISSION**  
Confidential update.

**GB14 0063** **REVIEW OF MEETING CONDUCT AND IDENTIFICATION OF ITEMS FOR INCLUSION IN THE RISK REGISTER**  
Members fed back that they felt that the meetings were developing well, the quality of the reports were improving and the student governors were contributing well to discussions.

**GB14 0064** **CONFIDENTIAL ITEMS**  
It was agreed that elements relating to Property and AUB were to be maintained as confidential items.

Clerk

**GB14 0065** **DATE AND TIME OF NEXT MEETING**  
The next meeting of the Corporation Board will be held on Friday 13 February 2015 at 12.00 pm on the Hartlepool Campus.

All

Signed: .....

Name: .....

Date: .....