

**PART A Minutes of the Corporation meeting held on 10 December 2019 at 4 pm
University Centre Board Room 4H01**

Prior to the meeting members received safeguarding update training presented by members of the Learner Services team. During discussion the following was raised:

- Scenario testing should be undertaken to provide additional assurance regarding current safeguarding arrangements.
- The case study had been presented to show a real-life situation dealt with by staff in accordance with current procedures.
- Reference to the outcome of the recent Internal Audit review of Safeguarding arrangements (previously reported to the Audit Committee) should be included in the Safeguarding Annual Reports to the Corporation and local boards going forward.

Members thanked presenters for the update which it was agreed had been a very informative and thought-provoking update and which had highlighted governors' responsibilities in receiving assurance that the TEC Partnership's safeguarding arrangements, policies and procedures were compliant with all legal requirements and duties and were effectively managed by relevant staff.

Present Gill Alton CEO, Tony Bramley (Vice-Chair), Robert Edwards, Liz Parry, Cain Matthews, Wendy Spalding, Erika Stoddart (Chair) Kai Adegbembo

In Attendance Susan Bailey, Clerk to the Corporation, Adrian Clarke Group Director Corporate Services, Tony Lawlor Group Director Finance, Debra Gray Principal GIFHE, Ann Hardy, Principal Scarborough TEC, Stephen Butler, Group Director HR, Jodie Pennachia Governing in FE project, Walter Leschenko (observer)

1. Apologies for absence

1.1 Apologies were received from Becky Huxley-Binns

2. Declarations of Interest

2.2 There were no declarations of interest.

3. Minutes of the Corporation meetings held on 29 October 2019 & 12 November 2019 and matters arising.

3.1 RESOLVED the minutes of the Corporation meetings held on 29 October 2019 and 12 November 2019 (confidential) were approved as a correct record and signed by the Chair, subject to correction of a typo (In attendance: 29.10.19)

4. Matters arising: Action Schedule

4.1 Min 19.3 Pension update: CONFIDENTIAL minute see PART B

5. Membership update

5.1 The membership update report was received. As detailed in the report the Clerk confirmed that the following members had now been elected by their respective staff / student groups to become members of the Corporation / Local boards which required formal Corporation ratification. The Corporation endorsed the following appointments:

5.2 RESOLVED

- a) that Cain Matthews be appointed as a Staff member of the Corporation for a period of 4 years.
- b) that Ryan Fowler is appointed as a HE student member of the Corporation until 31 July 2020.
- c) that Chandler Davis is appointed as a student member of the Scarborough TEC Board until 31 December 2020.
- d) that Joseph Wright is appointed as a student member of the GIFHE Board until 31 December 2020.

6. Strategic Measures 2018-19 RAG rated report

6.1 The CEO submitted the Group's Strategic Plan RAG rated report the main points as follows:

6.2 Members queried whether Modal performance was on target. The CEO confirmed that Modal's RAG rating had improved from red to amber since the last meeting.

6.3 Attendance and retention – the CEO reported that a number of initiatives were in place to secure improvements and mitigate a drop in data with attendance improved by 1.7% since the last report.

6.3 **SM 1.6 Overall FE and HE Learner Satisfaction** had improved and increased by 10% on the previous year with a significant increase of +718% response rate from last year which could be attributed to the new style survey and method to increase response rates.

6.4 **SM 4.2 Effective use of CRM** Key parts of the TEC Partnership were using the CRM system to capture enquiries. In order to maximise the data contained in the CRM, the CRM steering group had proposed creation of a new post to help convert potential business by driving the governance and compliance with the system.

6.5 **RESOLVED** The Strategic Measures 2019-20 RAG rated report was noted.

7. Area Based Review / National Leaders of FE / Institutes of Technology update - confidential

Minute 7 was classified as confidential in accordance with Clause 17 of the Instrument of Government.

8. Merger Transition Group update and meeting minutes & recommendations 12 November 2019 confidential

Minute 8 was classified as confidential in accordance with Clause 17 of the Instrument of Government.

9. Self-Assessment Report 2018-19

- 9.1 The Principal GIFHE submitted the TEC Partnership Self-Assessment Report 2018-19 confirming that although FE Colleges were no longer required to submit these reports to the ESFA or Ofsted submission of the Self-Assessment report to the Corporation for scrutiny and endorsement was considered good practice. It was confirmed that governors from each local board and an external validator had been involved in respective SAR validation panel meetings during the Autumn term with robust discussion and challenge forthcoming and agreement that the self-assessment reports provided a realistic and accurate picture of performance throughout 2018-19. Members who had attended the validation panel meetings had enjoyed the process and urged other governors to attend in 2020.
- 9.2 During questions and answers it was confirmed that Apprenticeships and Personal development had been judged good at Scarborough as this was 'as a proportion' therefore a correct assumption.
- 9.3 The Chair thanked all staff concerned for the work to achieve such excellent performance and improvements secured during 2018-19.
- 9.4 **RESOLVED** The Self-Assessment Report 2018-19 was noted and approved.

10. Health and Safety Annual Report 2018-19

- 10.1 The Group Director Corporate Services submitted the Group Health & Safety Annual Report 2018-19 which was received and noted. Members requested the addition of % data be included within the report to provide the % proportion of staff who had received training. In respect of the estates cladding members advised management prepare an estimate of the costs to re-clad the TEC Partnership in preparation for any change to the law relating to cladding.
- 10.2 **RESOLVED** The Health & Safety annual report 2018-19 report was noted and approved.

11. Group Human Resources Annual Report 2018-19

- 11.1 The Group Director HR submitted the annual HR report 2018-19. Members commended the executive summary which it was agreed again provided the correct level of information and data for governors to correctly surmise the current HR position for the TEC Partnership. During questions and answers the following was confirmed / agreed:
- It had been an exceptionally positive year in terms of sickness absence which at 2.16 % in 2018-19 showed a favourable comparison with sector averages, particularly in relation to managers and support staff.
 - Staff turnover at 13% was significantly less than the AoC average of 18.2%.
 - As the National Living Wage (NLW) increased year on year this now rapidly eroded salary differentials between staff on NLW and those significantly skilled employees marginally above the rate. EMT planned to consider this issue accordingly.
- 11.2 **RESOLVED** The Group Human Resources Annual Report 2018-19 was received and noted.

12. Gender Pay Gap annual report 2018-19

- 12.1 The Group Director HR submitted the annual Gender Pay Gap report 2018-19 (also available to view on the TEC Partnership website) Members noted the following:

- A total of 1431 staff (including casual/hourly paid staff were on the payroll as at 31 March 2019)
- The negative 10.08% difference between the mean pay per hour for females compared to the mean pay per hour for males was virtually unchanged from 2008 (10.09%)

12.2 RESOLVED The Gender Pay Gap Annual Report 2018-19 was noted.

13. Management Accounts period 3

Minute 13 was classified as confidential in accordance with Clause 17 of the Instrument of Government.

14. Annual Treasury Management Report

14.1 **RESOLVED** Consideration of the Annual Treasury Management report was deferred.

15. Annual Legal Report 2018-19

15.1 The Group Director Corporate Services presented the TEC Partnership Annual Legal report 2018-19 which detailed the legal expenses incurred during 2018-19 (£71.9k) and a comparison to the previous year (£25.2k) The significant increase between years was due to the defense of two employment tribunals. Other costs related to pension, lease/property and debt collection. It was agreed that the current Due Diligence process would impact on legal expenses incurred for next year's report.

15.2 **RESOLVED** The TEC Partnership Annual Legal report 2018-19 was received and noted.

16. Annual Report of the Audit Committee 2018-19

16.1 The Chair of the Audit Committee submitted the Annual Report of the Audit Committee 2018-19 confirming that the report provided an accurate record of Audit Committee business undertaken during the year 2018-19. Members welcomed the report and commended the committee for 100% attendance throughout the year. The following was noted:

- In recommending the Annual report to the Corporation the Audit Committee were satisfied and were of the opinion that on the basis of the reports received from the auditors appointed by the Grimsby Institute Group, the Audit Committee, Senior Management, the College's Risk Management Group and other sources of audit information that the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources (Value for Money), solvency of the institution and the safeguarding of its assets were adequate and effective.
- The Annual Report of the Audit Committee included the following documents as appendices:
 - a) Terms of Reference of the Audit Committee
 - b) Internal Audit End of Term summary report 2018-19
 - c) Financial Statements Audit Findings report 2018-19

16.2 In respect of the Financial Statements of Audit finding report 2018-9 the following was agreed / raised:

- The expectations of external auditors were now higher, due to the requirements of the new insolvency regime. FE Colleges could not afford to risk receiving a poor audit. External Audit's findings in relation to Modal, the TEC Partnership's Estates Strategy and

Going Concern showed that auditors were happy with the TEC Partnerships treatment of these risks with no problems encountered or highlighted during the audit work. No fraud or error had been identified. It was a clean audit.

- External Audit had advised a £1.7m general provision be included with the management letter as a 'rainy day' provision in relation to Modal. The Group Director Finance confirmed that the requirement to include this in the management accounts was not required.
- Although the Audit Committee had reviewed the Modal letter of support at the meeting on 3 December recommending it for Corporation approval it was agreed that all Corporation Members consider the letter prior to the financial statements being sent to the ESFA by the deadline date. The Group Director Finance agreed this would be circulated via email to governors accordingly.

16.3 Due to the workload of the Corporation and the Audit Committee it was agreed to schedule a separate additional one hour Corporation meeting to consider the financial statements in more detail for next years accounts.

16.4 The Chair of the Audit Committee confirmed that members had scrutinised the report in depth.

16.5 The Chair thanked members of the Audit Committee for their work during 2019-20, the auditors and the finance team for which had been a good audit under time constraints due to staffing issues in finance team (now resolved) and the current merger process with East Riding College.

16.6 It was also agreed that each local board should receive, for information, the Financial Statements 2018-19 at meetings taking place next term (2020)

16.6 RESOLVED The Annual Report of the Audit Committee 2018-19 was approved.

17. Financial Statements 2018-19

17.1 The Group Director Finance submitted the TEC Partnerships' Members report and Financial Statements 2018-19 as recommended for Corporation approval by the Audit Committee on 3 December 2019 subject to members' receipt of the Modal letter of support. The Chair of the Audit Committee confirmed the final version of the Financial Statements had now been reviewed by the Audit Committee via email with no significant or adverse comments received.

17.2 As the operating surplus of £1.4m had been achieved (before pension adjustment) and recent notification received from the ESFA of an additional £125k Adult Education income management did not plan to adjust the accounts for this late item.

17.3 Members reviewed each page of the Financial Statements 2018-19 in turn.

17.4 It was agreed that as the Financial Statements had not been finalised the Chair of the Corporation should delay signing off until receipt of the final version and associated letters of support.

17.5 RESOLVED The Financial Statements 2018-19 and letters of support for Modal Training and Support Staff Services were approved and the Chair authorised to sign them subject to receipt of Modal letter of support.

18. Capital update

Minute 18 was classified as confidential in accordance with Clause 17 of the Instrument of Government.

19. HE Oversight Committee minutes 29 October 2019

19.1 The HE Oversight Committee minutes of the meeting held on 29 October 2019 were received and noted. Members were reminded that recommendations made at the meeting had been approved at the Corporation meeting following on 29 October at 4pm.

19.2 **RESOLVED** The minutes of the HE Advisory Committee were received and noted.

20. Scarborough TEC Board minutes 3 October 2019 and 21 November 2019

20.1 The Chair of the Scarborough TEC Board outlined the background to the minutes and provided a summary of key activities to date. Members had been pleased to note the continuing improvement in Scarborough TEC achievement rates.

20.2 **RESOLVED** the minutes of the Scarborough TEC Board meeting held on 3 October 2019 and 21 November 2019 were received and noted.

21. GIFHE Board minutes 11 November and 26 November 2019

21.1 The Chair of the GIFHE Board outlined the background to the minutes and reported the continuing strong academic and financial performance of GIFHE currently.

21.2 Members had considered the GIFHE Self Assessment Report in detail following the validation process where a number of GIFHE Board members had also attended, agreeing that the report provided a realistic summary of GIFHE performance during 2018-19.

21.3 In respect of membership of the HE Advisory Committee the GIFHE Board wished to recommend that the Corporation seek a suitably experienced member of the GIFHE Board to be a member of the Committee rather than the Chair of the Board (automatic membership presently) to ensure the most suitably skilled member was selected.

21.4 The Chair of the GIFHE Board had urged members of the board to pitch for what they wished for GIFHE and communicate this to the Corporation. Members had agreed to recommend a 30 minute slot at the Strategic Planning event be scheduled for each local board to consider needs for the future.

21.5 The GIFHE Board had thanked Ian Lindley and Robert Copley for their hard work and commitment to the GIFHE Board and particularly to the contribution from Ian Lindley who had completed 8 years service both as a GIFHE member and previously Corporation member. This was endorsed by the Corporation with thanks and appreciation.

21.6 Members had found the GIFHE Board's first meeting of the term to undertaken update training very helpful and agreed this should be repeated annually.

21.7 **RESOLVED** the minutes of the GIFHE Board meeting held on 11 November and 26 November 2019 were received and noted and that the Clerk review membership requirements of the HEOC.

22. Audit Committee 3 December 2019

22.1 The Chair of the Audit Committee outlined the background to the minutes (abbreviated due to timings) drawing attention to the following:

- The Draft Annual Report of the Audit Committee had been considered in depth.

- The Annual Internal Audit Report 2018-19 provided significant assurance to the Audit Committee that TEC Partnership operations and systems of internal control were in order.
- The Group's Financial Statements 2018-19, including all subsidiary companies and the Modal letter of support and Modal Going Concern report had been considered via email following the meeting and were subsequently recommended for Corporation approval. Members requested sight of the Modal letter of support
- The Audit Committee had struggled with the Self Assessment of Audit Committee performance this year, using the CIPFA proforma which members felt was complicated and lengthy. Whilst the Committee had agreed that The Clerk confirmed that an alternative questionnaire would be presented and undertaken at a future meeting of the Audit Committee meeting.
- Members were pleased to note the addition of the Senior Executive expenses report 2018-19 which it was agreed provided for greater transparency, particularly in light of the current issues facing several FE Colleges.
- The Audit Committee had considered the ESFA CEO's letter to Chairs which had highlighted the issues relating to recently failed FE colleges, recognising the responsibility for governors and Chairs in exhibiting integrity, probity and transparency in ensuring the solvency of the organisation.

22.2 RESOLVED the draft minutes of Audit Committee meeting held on 3 December 2019 were received. The following recommendations of the Audit Committee were approved:

- a) Audit Findings (completion) report year ended 31 July 2019
- b) Self-Assessment Regularity Questionnaire 2018-19
- c) GIFHE Members' Report and Financial Statements for the year ended 31 July 2019
- d) Modal Training Ltd Directors' Report and Financial Statements for the year ended 31 July 2019
- e) Support Staff Services Ltd Directors' Report and Financial Statements for the year ended 31 July 2019
- f) Grimsby College Trading Ltd Directors' Report and Financial Statements for the year ended 31 July 2019
- g) Modal Training Ltd Letter of Support
- h) Modal going concern report.
- i) Support Staff Services Ltd Letter of Support
- j) Financial Regulations 2019-20

23. Membership update report continued.

23.1 Governors review of the Membership update report resumed. The Clerk reported the current vacancies within both the GIFHE and Scarborough TEC boards. It was agreed that to improve transparency the Clerk arrange adverts for vacancies via the local press and LinkedIn. Discussion also took place around the validity of the skills data agreeing that some governors did not overplay their skills and that governors skills on each local board would differ. The Chair stated that during next year's governor 1 to 1s skills returns would be reviewed. It was agreed that the Clerk revise the Skills criteria for the skills matrix to ensure this was still relevant to FE Governance.

23.2 RESOLVED the membership update report was received and noted.

24 Any other business:

24.1 Recent changes to the ESFA Financial reporting process would require the Corporation to hold an extra ordinary meeting in February 2020 to approve the TEC Partnership's planned return by the 29 February 2020 deadline.

24.2 The Chair, on behalf of the Corporation and the senior team, thanked Tony Bramley, at this his last meeting for his hard work, commitment and dedication to the governance of the TEC

Partnership which had made a significant impact in improving reporting to governors and shaping of the GIFHE Board and which was very much appreciated by all.

25. Date and time of next meetings:

a)	Monday 30 March 2020	11am onwards	Strategic Planning event
b)	Tuesday 31 March 2020	9am – 12.30pm	Strategic Planning cont...
		2pm – 3pm	Remuneration Committee
		3 pm – 5 pm	Corporation meeting
e)	Tuesday 19 May 2019	4pm – 6pm	Corporation meeting
f)	Tuesday 7 July 2019	4pm – 6pm	Corporation meeting

The meeting closed at 6.00 pm followed by the governors Christmas dinner and farewell to outgoing governors, Tony Bramley, Lucy Ottewell-Key, Robert Copley and Ian Lindley.

Signed _____

Date _____

Chair of the Corporation

Action Schedule

No	Minute Title	Action by	Action required
	Safeguarding presentation to governors	Principal GIFHE	Scenario testing undertaken IAS reviews of safeguarding included in Safeguarding annual reports
5	Membership update	Clerk	Appointment letters to new governors commence induction training.
10	Health & Safety annual report 2018-19	GD Corp Services	Estimate re-cladding costs in preparation for legislative changes
14	Annual Treasury Management Report	GD Finance	Submit to next Corporation meeting
16	Annual Report of the Audit Committee	Clerk / GD Finance	Send to ESFA along with Financial Statements and associated reports and letters of support
21	GIFHE Board minutes 11 & 26 Nov	Clerk	Allocate 30 minute slot for local boards at Strategic Planning event Reconsider membership of HEOC
22	Audit Committee 3 December 2019	Clerk	Explore alternative Self Assessment Q for Audit Committee
23	Membership update report cont...	Clerk Chair	Review governor skills criteria – new skills data collection post merger Review gov skills via 1 to 1s