

Minutes of Meeting



CORPORATION BOARD				
Details	Tuesday 26 th March at 3pm held at Southwark College and via Teams			
Corporation Board Members			Attendance	
Full Name	Position	Initials	Attended	Apologies
John Widdowson	Chair of Corporation	JW	X	
Andrew Cunningham	Independent Governor	AC	X	
Rob Holt	Independent Governor	RH		X
Chris McCourt	Independent Governor	CMc	X*	
Shirley Atkinson	Independent Governor	SA	X	
Matthew Otubu	Independent Governor	MO		X
Liz Bromley	CEO – Ex-Officio Governor	LB	X	
Kevin Stach	Staff Governor	KS		X
Clerk				
Jane Farrelly	Interim Head of Governance	JF	X	
In Attendance				
Tony Lewin	Executive Principal – Curriculum	TL	X*	
Gerard Garvey	Executive Principal – People & Culture	GG	X*	
Steven Wallis	Executive Director of Quality	SW	X*	
Scott Mulholland	Chief Information, Data & Estates Officer (CIDEO)	SM	X*	
Lisa Sproats	Chief Finance Officer (CFO)	LS	X*	
Jon Ridley	Deputy Principal, Higher Education	JR	X*	
Claire MacLean	Executive Director – Business Development	CML	X*	
Tracey Mullen	Governance Manager	TM	X*	

^Attended for part of the meeting / * Attended the meeting virtually

Item	Agenda Item
1.	Chair Opening Remarks / Apologies for Absence / Declarations of Interest / Board Matters
1.1	Opening and Welcome
The Chair welcomed all those present both in person and on line to the meeting.	
1.2	Apologies for Absence
Apologies were received from Independent Governors Matthew Otubu, Rob Holt and Staff Governor Kevin Stach. The Board noted that Student Governors Alfie Cockle and Tristan Jackson had both resigned from their positions as they had taken up apprenticeships and would be leaving their respective colleges. The Board noted that the meeting was quorate.	
1.3	Declarations of Interest
Members were asked if they had any interests to declare in relation to the planned agenda items however there were no additional declarations.	
1.4	Update from the Chair on Board Matters
The Chair advised that he had recently attended the Newcastle Sixth Form College tenth anniversary celebratory reception and dinner. The event brought together current and former students, staff, Executives and Board members, as well as some key partners in business and education to commemorate a decade of educational success and achievement.	
1.5	Governor Training / External Activity
<p>The Board noted that three Governor training events had taken place since the previous meeting:</p> <ul style="list-style-type: none"> • 15th January 2024 – Deep Dives and Dashboards (delivered by Steve Wallis and Scott Mulholland). • 12th February 2024 – Technology and Digital Transformation (delivered by Scott Mulholland). • 18th March 2024 – Higher Education (delivered by Jon Ridley). <p>It was noted that three further sessions have been arranged for the remainder of the year.</p>	

2. Strategic Items

2.1 CEG Report

The Board received the Chief Executive Group report from the Chief Executive and noted the key points as follows:

- There has been a restructure within the Chief Executive's Group with the removal of the role of the Chief Operations & Compliance Officer which has created the opportunity to redraw the lines around governance. This has resulted in Jane Farrelly (Assistant Director of Governance) acting as Independent Clerk to the Board on an interim basis. The restructuring has enabled the organisation to move at pace to implement the new governance model ('place-based governance') and to progress with recruitment.
- Gatenby Sanderson has commenced the external governance review and is aware that NCG is in a period of transition and will reflect this journey in their final recommendation report.
- NCG is being included in a number of key discussions about the implications of a new Mayoral Combined Authority in the North East and how the Colleges (Newcastle and Gateshead) will contribute to the successful delivery of a skills agenda that is fit for purpose and place.
- The Chief Executive and Chief Finance Officer provided a presentation to members of the British Universities Finance Directors' Group about the mechanics, resource implications, positives and negatives of collaborative structures such as 'One NCG'. They were pleased to have been invited to be part of this pragmatic approach to looking at other structures for university models going forward, and the session was well received.
- In January the Chief Executive attended a 3-day DfE funded pilot programme in London titled 'Leading in the 21st Century' which focussed on psychoanalysis as a key component of college leadership and provided insight into how other colleges' leadership models were working.
- The Chief Executive attended a round table dinner with Michael Gove, Secretary of State for Levelling Up, Housing and Communities in London, at the invitation of Stephen Davies, CEO of United Colleges Group. It was an interesting evening, and the message that attention to levelling FE up to HE was delivered strongly.
- The FEC team visited Rye Hill House to meet with the Chair and CEO to hear about NCG's governance review and how it is progressing. They have requested further engagement with colleagues as the new model is rolled out and becomes embedded in the ways of working.

- Engagement has started with all NCG colleges to understand and prepare for Ofsted. This work is being led by the Executive Director of Quality and his team, with support from the Executive Principals and Principals to ensure a consistent approach across NCG.
- NCG was visited by representatives of Scottish Colleges who have been commissioned to review and recommend alternative ways of working to the model currently used in Scotland.
- Sir David Behan is conducting an external review of the OfS and the Chief Executive and Deputy Principal, HE were pleased to host him and his team in Rye Hill House to provide feedback on how OfS engages with and understands HE delivery in an FE setting.
- The Chief Executive has been invited to chair the Policy Committee for CIFE, and discussions have begun regarding how to make this a group that has impact for the sector.
- The recruitment process is underway for the Assistant Principals' posts in Carlisle (x1), Kidderminster (x1) and Lewisham (x3) and is being managed by FE Associates.
- The Chief Executive visited Munich and Berlin at the invitation of the Gatsby Foundation to see German technical education in action. The experience was exceptional, seeing the German VET (vocational education and training) in action from the perspectives of Colleges, Chambers, the Ministry, employers, and an employer representative body.
- Since drafting the report, the Chief Executive attended the MIPIM conference in Cannes, as part of the Newcastle delegation seeking inward investment. The business case was to seek investment in the Newcastle Colleges Masterplan, predicated on the social value that NCG brings to the community.
- The Chief Executive has been invited to be part of the FEC's Principals' Reference Group and to join the NCFE Board.

The Board, having noted the key points above and the contents of the report, queried the following:

- A Governor sought clarification on the impact of the disaggregation of distance learning from West Lancashire College. The Chief Executive advised that the management of the distance learning provision remains in West Lancashire College as Debbie Fennell, who previously held the position of Vice Principal will continue to head up the provision as a separate business unit. The unit will be viewed as a commercial venture and the outputs will continue to be monitored together with its financial sustainability to determine whether it has a long-term

future. At present it is providing a healthy contribution to the financial position and is being well-managed. It was noted that further opportunities have been identified to expand distance learning and to generate further income. The CFO confirmed that the distance learning provision will be a separate cost centre within the 2024/25 budget planning.

2.1.1 MAS Records

This item was discussed under a confidential minute.

2.2 2023-24 Accountability Statement Progress Report

The Board received the 2023-24 Accountability Statement Progress report from the Executive Principal (Curriculum) and noted the following key points:

- The report provided a mid-point update on progress against the NCG and college objectives in the 2023/24 Accountability Statement. It also provided an update on the changes in the Duty to Review requirements published in December 2023.
- There are 37 strategic aims/objectives set out in the NCG accountability statement for 2023/24. NCG has 5 headline strategic aims/objectives, of which one is rag rated green and ahead of planned progress. The other four are rated amber and on track to be achieved. For the colleges, there are 32 locally identified strategic aims/objectives, of which sixteen are green, nineteen are amber and two are red rated. It was evident from the report that good progress is being made against the strategic aims/objectives. It was noted that the College Boards received the mid-point update reports at their recent meetings.
- With regard to the two aims/objectives rag rated as red, it was noted that in both cases the aim/objective relates to work with employers around the green agenda and these are anticipated to be achieved in the 2024/25 academic year.
- In terms of the Duty to Review, updated guidance was published on 14 December 2023 and includes further guidance around how NCG will declare that it has met its statutory duty to review how well it is meeting the local skills needs. The change requires the NCG Board to make a statement in the 2024/25 Accountability Statement as to how it is meeting the local skill needs and identifying where it might not meet the needs and what will be done to address any gaps. Colleges have been asked to undertake a review at a local level and for College Board Chairs to issue a statement relevant to their area which will be aggregated into a NCG Duty to Review Statement and presented to the Board for approval at its May meeting.

The Board, having noted the key points above and the contents of the report, queried the following:

- The Chair referred to the individual colleges level of input into the Accountability Statement and whether it was consistent in approach. The Executive Principal (Curriculum) advised that each of the college Principalship teams are currently compiling their 2024/25 aims and objectives and this requires them to meet with local providers and employers to ensure they develop a robust approach to meet their LSIP targets and that they accurately reflect local needs whilst aligning to the NCG Strategy. He reported that the national priorities feature strongly in all the colleges aims and objectives. It was noted that all colleges have benefitted from the investment in digital equipment, which has enabled them to provide an improved digital offering to their learners and being able to respond to the green agenda items around retrofitting or re-skilling people to the new emerging sectors.

The Board noted the progress of the 2023/24 NCG Accountability Statement strategic aims/objectives and the updated guidance on Duty to Review.

2.3 Infrastructure Masterplan Update

The Board received the Infrastructure Masterplan report from the CIDEO and noted the following key points:

- The final exchange and completion documents were signed earlier in the day which will conclude the sale of the Deptford campus. The CIDEO informed that NCG will now go into a busy phase of transition as there will be much work to undertake in terms of managing communications and movement of the provision to the Lewisham Way site. The first payment is due to NCG within the next few days.
- The sales of the Van Hee building in Gateshead and the land adjacent to the Railway Academy are now complete and NCG is in receipt of the associated funds.
- NCG has agreed terms for the sale of Chatworth House in Carlisle and the Board was requested to approve the sale as outlined in the paper.

Decision CB D94: The Board approved the sale of Chatsworth House in Carlisle.

- Legal due diligence and valuation works around the Newcastle surplus land continue positively with Homes England. The Chief Executive and Executive Principal of People & Culture recently met with the Homes England National Director of Acquisitions & Partnering, and as part of that discussion agreed to develop a Memorandum of Understanding (MOU) around the future uses

of the surplus land as they are brought forward for development. NCG is now moving towards a conclusion with Homes England which is expected in the summer term.

- Through the combination of grant funding and dedicated NCG investment, the replacement of the end-user IT estate has begun in earnest, with work continuing in the deployment of replacement staff devices across the organisation. The benefits of this programme are allowing staff and learners to utilise technology to support and enhance teaching and learning, rather than hindering its delivery. NCG has exceeded the £8m mark for investment in IT since August 2022, with most purchases being dedicated towards its learners.

The Board, having noted the key points above and the contents of the report, queried the following:

- In noting NCG will occupy the Deptford campus for the remainder of the academic year to enable the remodelling works at Lewisham Way to be completed and prepared for September 2024, a Board member queried if this timescale was achievable. The CIDEO assured that he was confident the timescale was achievable, adding that the fire risk assessment had recently been completed which identified a number of additional issues which had not been anticipated but were due to be rectified within the next month. He advised that he had no concerns with the work being completed within the anticipated timeframe.

3. Performance

3.1 Quality & Performance Report

The Board received the Quality & Performance report from the Executive Director of Quality and noted the following key points:

- The NCG EDIB Annual Report (March 2024) was presented for approval. The report highlights the progress toward NCG's strategic aims, in the context of EDIB, in line with the Public Sector Equality Duty. The Board was pleased to note that the vast majority of 'deliverables' have now been completed, as this Strategy nears the end of its original three-year duration.
- The Board received the Quality Plan 2023-2026 (Ambitious for Outstanding) which is one of several documents that underpin NCG's Strategy Towards 2030. It was noted that NCG is now using the title 'Ambitious for Outstanding' to signal its intent to be a first-class teaching and learning organisation in pursuit of its mission.

- The Executive Director of Quality advised that Ofsted is running a consultation titled 'Big Listen' which is seeking views on its work from educational providers and offered Governors the opportunity to feed their views through to him to collate into the overall NCG response.
- The Department for Education published the National Achievement Rate Tables (NART) for the academic year 2022/23 on Thursday 21st March. This is the annual release of sector benchmarking information relating to the participation, retention, and achievement of FE and skills providers. The Board noted NCG's position from a national perspective.

The Board, having noted the key points above and the contents of the report, queried the following:

- In reference to the Ofsted consultation mentioned above, the Chief Executive suggested one such point for inclusion should be the example of the German educational model and the fact it has no Ofsted equivalent; it operates on a trust basis between the chamber, employer and College to ensure the student receives the best quality experience through the way it is embedded in their work rather than through a third-party quality assurance agency.
- In noting the EDIB portfolio was transferring to the Executive Principal of People & Culture, the Board recognised the significant efforts and achievements made by the Executive Director of Quality in progressing this area of work.

Decision CB D95: The Board approved the EDIB Annual Report (March 2024) and noted the final version will be published on the NCG website.

3.2 Finance Report

The Board received the Finance report from the Chief Finance Officer (CFO) and noted the following key points:

- P7 accounts compare to the budget and quarter 1 forecast, the quarter 2 position is now complete and P8 accounts will compare to the updated forecast. At P7 year-to-date EBITDA is in line with the forecast and £1.3m ahead of budget but this is a result of a timing difference. The quarter 2 forecast overall position is in line with quarter 1 and the budget.
- The cash position is better than forecast and budget which is due to the timing of capital spend rather than FY upside. The cashflow and bank covenant update has been shared with the DfE to support the 5 Year plan CFFR submission.

- The Audit & Risk Committee discussed bank covenants in detail at their meeting of 14 March 2024. NCG has since received the final wording on the covenant reduction from the bank which proposes a reduction from seven covenants to three. The proposed reduction will be beneficial from an operational perspective and also for the bank in terms of the testing and checking requirements. The Board noted that there will be one annual covenant and two rolling quarterly 12-month covenants going forward.

Decision CB D96: The Board approved the reduction in the number of banking covenants from seven to three. The amended documentation will be signed by the Chief Executive Officer on behalf of the Corporation Board.

- Work continues on the new finance system implementation due to go live on 1st August 2024.
- It was noted that NCG had originally intended to treat the purchase of the cyber security 'Dark Trace' system as either capital funding or a finance lease but the CFO advised it will now be treated as P&L expenditure.
- The tender for legal services was completed with Muckle Solicitors being awarded the commercial contract and Ward Hadaway awarded the property and employment contract.

The Board, having noted the key points above and the contents of the report, queried the following:

- The Board noted that the turnover figure within the KPIs had increased significantly on the previous year. The CFO explained that this was driven by the significant increase in the 16-19 contract; with the funding rate increasing by circa £4.6m and also the HE income through subcontracting increasing significantly.

3.1 People Plan Report

The Board received the People Plan report from the Executive Principal of People & Culture and noted the following key points:

- The NCG People Plan has been shared with all colleagues. It sets out the overarching people strategy, covering all aspects of how NCG engages, supports and develops its people.
- A People Council made up of colleagues from across the organisation has been established. The People Council works as a sub-committee of the People and Development Board which is specifically focussed around the three key themes of the People Plan.

- An operational People Plan has been developed and the Director of People and Development is working with the Senior Business Partners to establish operational guidelines for the HR professionals in the organisation to use within the areas they support. Support materials will also be developed which will be focussed on the People Plan priorities to ensure these become part of the routine dialogue between HR Business Partners and managers.
- In respect of the job evaluation exercise, it was noted that ECC has been procured to supply the evaluation software. Training on the system has commenced and it is anticipated that it will take around 18-24 months to carry out the process and harmonisation exercise. It was noted the job evaluation review is supported by Unions and managers and will provide fairness and parity across the organisation.

The Board, having noted the key points above and the contents of the report, queried the following:

- The Board discussed whether a cost element was anticipated as a result of the job evaluation review and the Executive Principal of People & Culture clarified that as there are no national pay schemes in place, NCG has a degree of control over the costs. He advised that where inconsistent pay scales are identified within similar job roles, a consistent pay scale will be implemented. This will provide progression opportunities which is a key factor in staff retention. The Board noted the main purpose of the job evaluation exercise is to implement a fair system for colleagues. It was confirmed that London weighting will be covered within the review.

4. Governance, Risk and Compliance

4.1 Governance Review Outcome and Next Steps – Place-based Governance

The Board received the report on place-based governance from the Interim Head of Governance and noted the following key points:

- The report is the first iteration of the new place-based governance model which was developed as an outcome of the 2023 internal governance review, and which will form the basis for future Corporation and College Board proceedings.
- Place-based governance is a collaborative model of governance in which NCG Boards draw on the skills, knowledge and experience of local communities to address the learning and skills needs of their populations.

- The place-based governance model has been developed in consideration of College Board members desire to continue to add value and have meaningful impact at a local level. It maintains the central authority of the Corporation Board as the accountable legal entity. The NCG Corporation Board, supported by a discrete number of sub-committees, will continue to focus on strategic planning and risk, monitoring of overall resources and Group performance. This will provide College Boards with the freedom to explore in greater depth, those curriculum, skills and employment issues which will have the most impact within their region.
 - Membership of College Boards will be drawn from the four key stakeholder groups as identified by Ofsted (Education, Employers, Civic and Community). A robust induction programme will be developed to ensure current and new governors and members understand the model.
- Decision CB D97:** The Board approved the place-based governance model as outlined within the report.

4.2 Gender Pay Gap Report

The Board received the Gender Pay Gap report from the Executive Principal of People & Culture and noted the following key points:

- The Corporation is legally bound to publish details of the gender pay gap annually. The data within this report covers the period 1 April 2022 to 31 March 2023.
- The figures have been calculated using the mechanisms that are set out in the gender pay gap legislation and cover six key metrics.
- The data confirms that the mean position is 10.3%, a decrease of 2.1% on last year's position, the median position has slightly increased by 0.5%. The data confirms that NCG is moving in a positive direction.

Decision CB D98: The Corporation Board approved the Gender Pay Gap Report.

4.3 Policies for approval

The Board received the policies for approval from the Interim Head of Governance and was assured that the documents had been subject to a full review by the Policy Review Council and Executive Board.

Decision CB D99: The Board approved the Code of Conduct and the Further Education (FE) Fees policies.

4.4 Corporation Matters

The Board received the Corporation Matters report from the Interim Head of Governance and noted the following key points:

- At its meeting in December 2023, the Board approved:
 - The establishment of two new Board Committees (FE Quality & Students Committee and People & Culture Committee).
 - An increase in number of independent members on the Board (from 11 to 13).

As a result of the above decisions, there was a need to amend the Instrument & Articles and Standing Orders to reflect these changes and the Interim Head of Governance provided an overview of the changes, as detailed within the report.

- The Board's attention was drawn to the request for delegated authority to be given to the Search Committee to appoint the members and Chair of College Boards (Article 5.1.2). It was explained this change would enable the ongoing recruitment process to commence at speed.
- Due to the existing number of vacancies and new governor positions on the Corporation Board, there is now a need to appoint seven Governors and the recruitment campaign has commenced in earnest. As a result of recent interviews and recommendations from the Search Committee, the report detailed the proposed appointments. It was clarified that the governors who were currently Chairs of College Boards would stand down from those positions on appointment to Corporation Board.

Decision CB D100: The Board approved the amendments to the Instrument & Articles and Standing Orders as outlined in the report and in the supporting appendices, noting that a comprehensive review will follow in summer 2024.

Decision CB D101: The Board approved the appointment of Dr Vikki Smith, Lisa Gregg and Darren Crossley to the Corporation Board for a period of up to four years.

Decision CB D102: The Board approved the appointment of Caroline MacDonald as a coopted member of the HE Quality & Students Committee (formerly HE Governance Committee) for a period of four years.

Decision CB D103: The Board delegated authority for the appointment of College Board Chairs and Members to the Search Committee.

The Board further noted the proposed 2024/25 Corporation Board meeting schedule and the use of the company seal since the last report.

4.5 Refresh of Subcontracting Plan 2023/24 and draft planned levels for 2024/25

The Board received the refresh of the 2023/24 Subcontracting Plan and the draft planned levels for 2024/25 from the Chief Financial Officer and noted the following key points:

- The planned levels of subcontracted income for FY24 has increased to £12,218k compared to the original planned levels of £11,590k in July, and £11,466k in September and £9,404k in December including HE franchising.
- A refreshed reporting format will be presented at the July meeting.
- The Chair sought clarification around the reporting of HE sub-contracting and the CFO advised that she would confirm an agreed approach with the Deputy Principal (HE).

Action CB A33: CFO and Deputy Principal (HE) to agree the approach for the reporting of HE subcontracting.

Decision CB D104: The Board approved the updated planned levels of subcontracting as at Q2 Forecast for FY24.

Decision CB D105: The Board approved in principle the high-level proposed planned levels of subcontracting for FY25 and to submit the necessary business cases to the ESFA for approval.

Decision CB D106: The Board delegated authority to the Chief Financial Officer to approve any variance to the proposed planned levels as long as the change is no greater than 10%.

4.6 Committee Minutes

The Board received for information the following Committee minutes, noting these were in draft format until formal approval at the next Committee meetings:

- HE Governance Committee - 15 November 2023
- Estates Committee - 16 November 2023
- Audit & Risk Committee - 14 December 2023

4.7 College Board Minutes

The Board received for information the *approved* full suite of College Board minutes from the meetings held in November and December 2023 and the *draft* College Board minutes from the

March 2024 meetings of the Carlisle, Kidderminster, Lewisham and West Lancashire College Boards, noting these had been reviewed by the Chairs but not yet approved by the Boards.

5. Deferred Items

5.1 2022/23 HE Annual Report

The Board noted that the 2023/23 HE Annual Report had been deferred to the May Corporation Board meeting.

6. Closing Items

6.1 Minutes of Previous Meeting – 19th December 2023

Decision: CB D107: The Board reviewed and approved the minutes of the Corporation Board meeting held on 19th December 2023.

6.2 Register of Actions & Decisions

The Board received the Register of Actions and Decisions and noted the actions in progress or not yet due.

6.3 AOB

There was no other business raised on this occasion.

6.4 Date and Time of Next Meeting

The next meeting of the Corporation Board will take place in person on Tuesday 21st May via Teams.