

NCG – Corporation Meeting

Main Minutes of Meeting held on Tuesday 20th July 2021 – 3pm to 5.50pm

Details			Attendance		
Full Name	Position	Initials	Attended	Apologies	No Attendance
Peter Lauener	Chair of Corporation	PL	X*		
Chris Roberts	Vice Chair of Corporation	CR	X*		
Mark Squires	Independent Governor	MS	X*		
Caroline MacDonald	Independent Governor	CMA	X*		
Jeannette Strachan	Independent Governor	JS	X*		
Andrew Cunningham	Independent Governor	AC	X*		
Rob Holt	Independent Governor	RH	X*		
Chris McCourt	Independent Governor	CMc		X	
Matthew Otubu	Independent Governor	MO	X*		
Shirley Atkinson	Independent Governor	SA	X*		
John Widdowson	Independent Governor	JW	X*^		
Liz Bromley	CEO – Ex-Officio Governor	LB	X*		
Jennifer Mitchelson	Staff Governor	JM		X	
Hollie Lees	Student Governor	HL		X	
Clerk					
David Balme	Executive Director and Secretary to the Board	DB	X*		
Visitors/ Presenters					
Chris Payne	Deputy CEO	CP	X*^		
Mike Wilmot	Chief Finance Officer	MW	X*		
Steve Wallis	Executive Director of Quality	SW	X*		
Scott Mulholland	Chief Information and Data Officer	SMu	X*		
Grant Glendinning	Executive Principal North	GGI	X*		
Tony Lewin	Executive Principal South	TL	X*		
Nicola Taylor	Assistant Director of Governance (minutes)	NT	X*		
Sarah McGrath	Principal of Carlisle College	SMc	X*^		

*Attended via Microsoft Teams / ^Attended for part of the meeting

1. Chair Opening Remarks / Board Matters / Declaration of Interests / Apologies for Absence

The Chair opened the meeting and welcomed the attendees.

Apologies had been received from HL, CMc and JM. JW noted he needed to leave the meeting early. The apologies were accepted, and **the Board agreed that the meeting was quorate.**

The Chair noted that:

- SMc would be attending for item 2.6.

The Board were asked if they had any interests to declare in relation to the planned agenda items, however there was nothing to note.

The Board noted the updates.

1.1. Update from the Chair of Relevant Matters – Verbal

The Chair provided the following updates:

- Following the individual meetings between PL, DB and each of the Local College Chairs, a group Chairs Forum was held on 9th July which LB also attended. PL confirmed the meetings had been very positive with lots of discussion.
- The Search Committee had recently held 2 meetings, following the revised Appointment Procedure which now required all appointments to be considered by the Search Committee prior to Corporation approval. The first Chair appointment had taken place for Southwark College Board, and PL and CR agreed that the interview panel (which included CR (Chair of Search Committee), PL (Chair of Corporation), a long-standing Board Member from the Local Board, and a stakeholder of the College) had worked well. PL confirmed the outcome of the interview was to be covered within the meeting agenda.

The Board noted the updates.

1.2. Governor Training / External Activity

The Board were asked if they had any relevant activity to report. It was noted that AC, MS, JS and CMc undertook a training session on Red Teaming as part of the Audit Committee on 13th July 2021.

The Board noted the update.

2. Strategic Items

2.1. Chief Executive Group (CEG) Report

LB presented the CEG report, and highlighted the following:

- NCG had been working on plans for reopening and continuing to adhere with Government Guidance on Covid. Plans were in place to

monitor the situation going forward and to allow a quick response to any further changes.

- Newcastle College had received formal approval to deliver T Levels from 22/23.
- A one-off pay award of £500 (pro-rata) had been agreed and was due to be issued to all staff within their July pay.

Remainder of updates covered under a confidential minute.

The Board queried and discussed the following:

- The recent announcement suggesting qualifications would be based around A Levels or T Levels in the future. LB confirmed that discussions were still ongoing, and NCG had been invited to participate in a post-16 roundtable discussion.

The Board requested a further update on this item, as well as links with employer engagement, at a future meeting.

Action: NT to add to agenda. LB, DB, SB and JR to meet in advance.

- The financial arrangement with Kidderminster Harriers. CP confirmed that NCG would claim the funding and then make payment to Kidderminster Harriers in line with the agreement.
- The recent Green Jobs Taskforce publication, and the links with the FE White Paper Skills for Jobs. LB confirmed she would review the document.

Action: NT to circulate link to the Board.

The Board noted the report.

2.1.1. IDAP Update

TL presented the IDAP Update.

The Board **queried** if the outcome of the QAA assessment would have an impact on the awards of other organisations, offered through NCG. TL confirmed this was not the case, noting that the fact that NCG have good relationships with other providers would be a positive point.

The Board noted the report.

NSS Results

On a separate note, the Board **questioned** when they would receive the NSS results. LB confirmed that the results had recently been received and an initial analysis had taken place. LB further confirmed that the Board will receive a full analysis at the September Corporation meeting.

Action: NT to add to agenda.

TL noted that the key message was that the overall satisfaction level remained static, however the national average had dropped. TL also

confirmed that the TEF key indicators were all above the national average. TL confirmed that the initial results would be shared.

Action: TL to arrange sharing of NSS results and initial analysis.

The Board noted the update.

2.2. Quality and Performance

SW presented the Quality and Performance report, and highlighted the following:

- The latest prediction for functional skills was between 63-64% in terms of achievement. SW reminded the Board that this was examined, rather than TAG awarded, and that CAGs had been awarded for this in the previous year. SW noted that in the previous year, the national average was 66%, and suggested that this was likely to decline. SW suggested that this latest figure slightly negated the risk identified in the paper, however NCG were continuing to monitor this closely.
- Apprenticeships remained a key risk. SW suggested that:
 - The intent was good with the standard approval model, the work of the Apprenticeship Hub, and the individual College strategies and operational plans.
 - The implementation was improving in terms of delivery, with a clear focus on ensuring apprentices were receiving their day release / block release / off the job training, ensuring progress reviews were completed and the continuation of ETLA work.
 - The impact was being evidenced by good destination data (with 98% of apprentices progressing onto employment or the next level), however achievement rates were being impacted by the passing of end point assessments.
 - SW noted that the teams were working on the measures of apprenticeships as part of the Self-Assessment, and the continued focus on ensuring apprentices are on the right course for them and receiving a high-quality experience.
- Sustained destination data from leavers in the 19/20 academic year indicated 91.1% positive destinations.
- Learner voice remained strong.
- A Level progress was positive.
- There were concerns around attendance and engagement (for 16-18), however this was similar within the sector.
- SW believed that NCG would now be Ofsted rated Good, however further work was needed around Apprenticeships.

The Board queried the following:

- If destination data was captured in terms of the sectors learners progressed into, to be able to identify if there was correlation with their qualifications. SW confirmed that this information was available, and

that the team was in the process of checking this. SW noted that the information came from the MIS system, UCAS, and the outsourcing of an independent company who were following up with learners.

The Board requested for this information to be included within SW's next report.

Action: SW to include within report. NT to add to agenda.

- How NCG had responded to the updated Education Inspection Framework and guidance around the importance of ensuring clear and robust procedures to prevent sexual abuse / harassment. SW confirmed that the policy change had been adopted; this included the updating of tutorials and staff training. SW reiterated the importance of staff remaining vigilant and highlighting any concerns. SW also noted the need for meticulous records and confirmed this would be done through 'My Concern'. JS (Safeguarding Link Governor) confirmed that discussions around this had taken place at the Safeguarding Council meetings.
- The timing of the Self-Assessment. SW confirmed that a position paper would be brought to the Board in September and initial work was underway.

Action: SW to provide SAR position Paper. NT to add to agenda.

The Board noted the report, and the specific updates around the areas for development, the positive destination data, and the importance of the work to ensure that guidance is updated to comply with the requirements around the prevention of sexual abuse and harassment.

2.2.1. Approval of Equality, Diversity, Inclusion and Belonging Strategy

SW presented the Equality, Diversity, Inclusion and Belonging Strategy, and highlighted the following:

- The strategy had undergone various different levels of consultation. The term "belonging" had specifically come from the consultative work.
- Deliverables and aims had been aligned with the NCG strategic themes.
- The NCG mission and values had been embedded within the document, with an importance played on the use of the same terminology.
- The strategy had been updated inline with the review from the EW Group.

The Board **noted** the improvements and re-style of the document, **suggesting** that the strategy was a step forward from being just compliant. The Board **welcomed** the linkage with the aims and the suggested speed of deliverables.

The Board **noted** that they would expect to see significant improvements when the strategy was due to be renewed at the next interval due to the promising work suggested within this strategy.

The Board queried the following:

- If NCG were under-represented in Apprenticeships. SW confirmed this was the case, and that there was a specific deliverable relating to this.
- The level of staff declared as Black, Asian and Minority Ethnicities (11%). SW agreed that more diversity was needed within the staff workforce, and that more work would take place with HR in terms of positive action to accelerate this.
- How staff ethnicity levels compared to the national average of ethnic demographics. SW noted this information was included in the annual EDI report, and the data found that the proportion of non-White staff was consistent with the sector average.

The Board approved the Equality, Diversity, Inclusion and Belonging Strategy.

2.2.2. Approval of Equality, Diversity, Inclusion and Belonging Policy

SW presented the updated Equality, Diversity, Inclusion and Belonging Policy, noting that the policy had undergone a complete re-write.

The Board approved the Equality, Diversity, Inclusion and Belonging Policy.

2.3. Finance Report

MW presented the Finance Report and highlighted the following:

- NCG had been successful for the 2nd round of the FE Capital Transformation Fund.
- Q3 forecast showed a EBITDA of £6.9m (5% ratio). This was £0.5m more than budgeted. This was due to a better than expected position in HE and apprenticeships.
 - Newcastle College had out-performed their Q2 and original budget, and again this was due to a better position in HE and apprenticeships.
 - West Lancashire College had under-performed their Q2 and original budget. This was due to direct delivery of the Online Learning Project being lower than forecast. Aside from this, no progress had been made on the College's financial position, and therefore this remained an area of focus.

The Board noted the report and welcomed the expected financial health score of good for 20/21, 21/22 and 22/23.

2.3.1. Business Plans & Budget 21/22

MW presented the Business Plan & Budget and highlighted the following points:

- There was a planned £6.7m EBIDTA for 21/22 (5% ratio). This was below the 8% NCG Strategic target, however this had been impacted by a 2% pay review and resource to cover the forecast significant growth in 16-18 learners. MW reminded the Board that funding for 16-18 learners is lagged, and therefore the benefit would not be seen until the following year. MW noted that the budget did not assume any in-year funding.
- Pay costs were budgeted to be an increase on the 20/21 year, and at a 72% pay/income ratio was high when compared to the <65% FEC benchmark. MW noted that NCG had a lot of insourced provision, however this still needed to be an area of focus. To achieve the FE Commissioner ratio, £7m of staffing would need to be removed. MW suggested either efficiencies needed to be made or growth of income achieved to offset the ratio.
- Non-pay costs were due to be higher than 20/21, however still below the NCG operational target of <27%.
- Cash showed an expected good position, which included the building up of reserves in short term investments.
- Financial Health was expected to remain Good in all 3 years. MW noted the new methodology and suggested that this would make the current calculations tighter therefore work would continue to improve the position.
- All covenants were expected to be met.
- Budget growth was expected to be similar to the current year, with an income revenue increase in adult and 16-18 growth (lagged from the previous year). Apprenticeships and commercial income had started to improve, however, this was offset against pay costs and the pay review. MW also noted further costs due to the College buildings being back up and running, compared to savings that had been made in the current year.
- In relation to operating margins, WLC showed improvement however remained a concern.
- In 22/23, loans are expected to be refinanced. Conversations have taken place with the bank, however, MW noted his concern around the increase in interest rates. MW was in conversations with the Auditors and Bank to agree the wording to push back the refinancing if possible.
- There were a number of risks and opportunities to note, including the potential of an exceptional claim if the 16-18 growth was as expected, along with potential bids. Risks included apprenticeships, the Online Project and HE. MW also

noted that the contract with Kidderminster Harriers was expected to perform well, however was still a risk due to being a new venture.

Remainder of updates covered under a confidential minute.

The Board **queried** the assumed base rate for bank lending. MW confirmed the base rate had been assumed as constant, however higher margins had also been assumed.

The Board **noted** that there was a risk regarding recruitment and **asked** if there were any additional risks that would outweigh this. MW suggested that unknown factors such as compliance matters could cause concern, along with industrial relations and the demand for pay reviews.

The Board **challenged** the pay / income ratio and suggested this was much higher than the sector benchmarks. The Board noted that this was highlighted as an area for improvement during the last academic year and needed tackling. MW noted that NCG were approximately 4% above the benchmark, and reiterated the reasons for the increase, such as the decision to award a pay increase because NCG pay had fallen behind comparators and the additional resource needed to facilitate the expected learner number growth. LB agreed that this would be considered in further detail during the next academic year and in advance of the 22/23 budget. The Board **noted** that they did not expect NCG to urgently reach the benchmark, however sought assurance there would be a plan in place to make improvements. LB and MW confirmed this would take place through the work of Brilliant at the Basics where inefficiencies and ineffective processes were being highlighted. MW also suggested that the benchmark would need some further consideration in relation to the set up and complexity of NCG as a Group.

MW and CP confirmed a review of the NCG KPIs were due to be undertaken in the new academic year (approx. Nov time) due to the changing picture since they were set.

JW left the meeting.

The Board approved the business plan and budget for 21/22.

2.3.2. Subcontracting Plan 21/22

MW presented the Subcontracting Plan for 21/22, noting that a revised version would be expected in October 2021. MW highlighted that the proposed subcontracting plan for 21/22 remained similar to the current year, however highlighted the following:

- There was due to be a significant amount of subcontracting at WLC in relation to the Online Delivery Project. MW confirmed the strategy was to reduce this by moving to more direct delivery as the project progressed.
- There was due to be an increase at Kidderminster due to the recent agreement with the Kidderminster Harriers.

- The Visionnaires project was counted as subcontracting.
- There was due to be a focus on reducing the adult provision at Carlisle, this would need to move to direct delivery or the provision removed.
- There was a collaborative partnership with the OLC who offered some HE provisions, and this was also classed as subcontracting.

The Board queried the following:

- If the strategy should specifically include a link to ensuring value added of subcontracting, and if the KPIs should be further considered. MW noted that there was a plan in place to reduce as much subcontracting as possible with a move to more direct delivery, however due to the nature of some activity NCG would always need to retain an element of sub-contracting (for example, specialist activity). CP noted that NCG were working with the Learning Curve Group to help develop staff capability and develop systems to support an internal set up. CP also noted that the Curriculum Strategy Group had oversight of subcontracting on an annual basis and could therefore better police the arrangements in place to ensure a benefit to the overall strategy.
- What assurance work was in place to ensure quality of provision? MW noted that funding audits had taken place over the years and there have been no cause for concern highlighted previously. CP noted that a number of subcontracting partners had been working with NCG for a number of years, with defined assurance processes in place. SW confirmed that activity is checked in terms of the activity taking place, the policies subcontractors have in place, evaluation of the teaching, learning & assessment etc. In relation to the Online Delivery Project at WLC, a contract manager has been appointed who is dedicated to the oversight of the provision, this included checking learner records, policies, DBS clearance etc. DB noted that further work was required in each of the colleges to ensure clarity of expectations and requirements in relation to data.

The Board approved the Subcontracting Plan for 21/22.

2.3.3. Supply Chain Fees and Charges Policy

MW presented the Supply Chain Fees and Charges policy for approval.

The Board approved the Supply Chain Fees and Charges Policy.

2.4. NCG Operational Plan

CP presented the NCG Operational plan, and highlighted the following:

- The NCG Strategy was agreed in December 2019, and since this point a wealth of work had been undertaken to launch the strategy with staff,

for each college to create their own local strategy (inline with the overall NCG strategy), and then to create their own operational plans which detailed how they would achieve their strategic plan.

- The operational plans allowed the Local College Boards to understand the focus for the year, and they would expect to receive a RAG rated update at their meetings.

Action: NT to ensure this is included in the College Board Work Plan.

- The NCG Operational Plan also included headlines of collaborative work taking place across the Group.

The Board **challenged** the operational target of 8% EBITDA and noted that the budget suggested 5%. MW and CP noted that this needed amending in the Operational Plan to 5%, as per the budget.

The Board **requested** a collation of the Local College Board RAG rated action summaries as and when they are updated.

Action: NT to add to Corporation Work plan.

The Board noted the NCG Operational Plan and the updates provided.

2.5. Employee Engagement Survey Report and Supporting Action Plan

CP presented the Employee Engagement Survey Report and Supporting Action Plan, and highlighted the following:

- The survey replaced the Great Place to Work survey.
- The focus groups allowed real engagement with the survey results and helped define the planned actions.
- Further progress was required in Decision Making, Communication, Leadership, Operational Delivery, Purpose / Alignment, Professional Development and the experience of ethnic minority colleagues.

The Board queried the following:

- The high volume of staff who didn't open the email (903). CP noted that approx. half of these staff members were on hourly paid contracts or invigilators, so although invited to take part, may not have been engaged in work at the time. There were also lower response rates in London which may have been impacted on the fact that the Colleges were undergoing migration to the NCG single domain at the time.
- If it was important for all NCG colleagues to relate to NCG, rather than their respective College. LB suggested not, however it would depend on the role of the employee, suggesting that some roles need to have a relationship with NCG to understand the benefits of being part of the Group, such as collaborative working, communities of practice etc. LB also noted the importance for professional services staff to feeling part of NCG.

The Board **noted** that they were pleased to see a high proportion of staff feeling that their managers cared about their mental and physical health.

The Board noted the report and action update.

2.6. Student Voice Project Update

SMc joined the meeting.

SMc provided an update on the Student Voice Project and highlighted the following:

- The timelines for the project had slightly moved, with the College looking to recruit volunteer ambassadors during the Summer who would be part of the Summer School.
- The first Student Conference was planned for the Autumn Term.

The Board requested the following:

- Dates for the Student Conference.
- The Job Description for the Student Ambassadors.
 - SM noted the JD included general college promotion, as well as proactivity and engaging with less vocal students. They would also assist with student voice within bids and provide views on the NCG Guarantee.

Action: SM to provide information. NT to circulate.

LB provided a further update, noting that NCG had bid and been awarded funding in relation to mental health support for students.

The Board noted the update.

SMc left the meeting.

2.7. Synergy Hub Update

GG presented the update on the Synergy Hub and highlighted the following:

- A planned face to face launch was expected to take place in November. The Corporation Board would be invited to this.
- The Estates teams were working on creating a digital teaching space in the Mandela Building of Newcastle College, and the re-purposing of a floor within Rye Hill House to house the Apprenticeship Hub and Enterprise Hub.
- A business model had been created to provide detail around the services on offer and the contributions expected. Legal work was ongoing around a 'template terms of engagement'. GG noted that there was positive interest and traction from employers.

The Board noted the update.

3. Deep Dives

3.1. Cyber Security

SMu presented the Cyber Security report and highlighted the following:

- Cyber Security continued to be a challenging area. The media had recently highlighted that educational organisations were a prime target for attacks. SMu noted that there had been more attempted attacks in

the first 6 months of 2021, than in the whole of 2020, two thirds of which had been towards educational organisations. SMu suggested that attacks may have been made on NCG however we would be unaware as they would have been stopped by the firewalls.

- SMu noted the strong starting position of NCG, confirming that a lot of additional defences and security measures had been implemented. SMu confirmed that multi-factor authentication was in place for all staff and there was a plan to roll this out across all students. Further exploration work was underway to help monitor unusual activity and identify any potential attacks.
- Initial plans were in place to outsource monitoring activity to a specialist partner.
- There had been recruitment challenges for those with specialist expertise, due to the competitiveness of the market. Further options were being explored, such as graduate opportunities and growing the internal talent pool.
- A 3rd phishing simulation had taken place and caught out the highest number of staff. 11 members of staff had fallen foul of all 3 simulations.

The Board **queried** as to why the education sector was being targeted. SMu suggested this could be due to a history of under investment within the cyber security area, and the number of people potentially affected.

The Board **agreed** that the outsourcing was a good idea and **noted** the level of impact attacks had caused in other organisations.

The Board noted the update.

4. Items for Approval

4.1. Risk Management Policy

DB presented the Risk Management Policy noting it has previously been endorsed for approval by the Audit Committee. No fundamental changes had been made.

The Board approved the Risk Management Policy.

4.2. Corporation Matters

DB presented the Corporation Matters report and provided the Board with an update on progress made with the actions following the Governance Review. DB confirmed that recruitment for the Governance Administrator had been unsuccessful to date.

The Board approved the following appointments:

- Carlisle College Board – Re-appointment of Stephen Gilby for a 4-year term – Independent Governor.
- Newcastle College Board – Appointment of Peter Monaghan for a 2-year term – Staff Governor.

- Southwark College Board – Appointment of Kim Caplin as the Chair of Southwark College.
- Search Committee – Appointment of Shirley Atkinson as a Committee Member.
- Appraisal and Remuneration Committee – Appointment of Chris McCourt as a Committee Member.

Action: NT to process appointments.

The Board noted the remainder of the report.

4.2.1. RoATP Application Questions

The Board confirmed they had responded individually to NT with their responses to the questions as part of the RoATP application.

4.2.2. Change of Name of Intraining Holdings Limited

MW presented the paper outlining the change of name from Intraining Holdings Limited to NCG Professional Services Limited, noting that the previous approval to change the name to NCG Further Education & Training Limited did not go ahead.

The Board approved to change the name from Intraining Holdings Limited to NCG Professional Services Limited.

4.3. Internal Audit Plan 21/22

DB presented the Internal Audit Plan for 21/22, noting that this had been reviewed by Audit Committee and Executive Board. DB noted that estimated dates would be firmed up as the plan progressed.

AC noted the difficulty the Internal Audit team had faced with regard to recruiting an Internal Auditor, and the pressures and resource issues the team had subsequently faced. DB confirmed that recruitment had been an issue and that the same issues were being faced re the appointment of the Governance Administrator role. DB noted that agencies were being contacted to assist with recruitment.

The Board approved the Internal Audit Plan for 21/22.

4.4. Data Protection Policy

DB presented the Data Protection Policy for approval, noting that this had been reviewed by Executive Board.

The Board approved the Data Protection Policy.

4.5. Health, Safety and Wellbeing Policy

MW presented the Health, Safety and Wellbeing Policy, noting that this had been reviewed by Executive Board.

The Board **approved** the Health, Safety and Wellbeing Policy.

4.6. NCG College and Student Updates

CP presented the NCG College and Student Update report.

The Board **requested** a report of exclusions across the Group for the 20/21 academic year.

Action: SW to include an appendix to September report. NT to add to agenda.

The Board **noted** the report.

5. Minutes of Previous Meetings / Information Flows / Matters Arising / Register of Actions

5.1. Minutes of the Previous Meeting – 15th June 2021

The Board **reviewed** the minutes of the previous meeting and **agreed** that they were a true and accurate reflection of the meeting.

The Board **approved** the minutes.

5.2. Register of Actions

DB presented the Register of Actions.

The Board **reviewed** the register of actions and **noted** that relevant actions had been covered within the meeting or closed as per the document.

5.3. Corporation Committee Minutes

The following confidential Corporation Committee meeting minutes were included within the BoardPack (redacted from members of the Executive Team):

- Appraisal and Remuneration – October 2021
- Appraisal and Remuneration – February 2021
- Appraisal and Remuneration – March 2021

The following Corporation Committee meeting minutes from May 2021 were shared with the Board via the Knowledge section of BoardPacks on 19th July 2021 for information.

- Audit Committee
- Search Committee

The Board **noted** the Committee minutes.

5.4. College Board Minutes

The following College Board meeting minutes from May 2021 were shared with the Board via the Knowledge section of BoardPacks on 13th July 2021 for information.

- Lewisham College Board (March and May meeting)
- Newcastle College Board
- Newcastle Sixth Form College Board
- Kidderminster College Board

The Board noted the College Board minutes.

5.5. Information Flow

DB presented the following Information Flow:

- Southwark College Board

The Board noted the update and requested NT to respond to share the Board's congratulations to the recent successes.

Action: NT to respond re positive stories.

5.6. Matters Arising

Not applicable.

6. Any Other Business

Chair of Kidderminster College Board

The Chair confirmed that the Search Committee had met to discuss the Chair vacancy at Kidderminster College Board and had agreed to seek expressions of interest from the Independent Corporation Board members to cover this post for an interim period.

The Board noted that JW was no longer in attendance and suggested a discussion with him outside the meeting to see if this was something he would be willing to do.

Action: DB to speak to JW regarding this opportunity.

The Board noted the update.

7. Time and Date of Next Meeting – 3pm on 7th September at Rye Hill House in Newcastle.

Approved: 7th September 2021