

NCG – Corporation Meeting

Main Minutes of Meeting held on Monday 7th November 2022 – 3pm to 5.30pm

Virtual via Teams

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^		
VACANCY	Independent Governor				
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		
Diana Wiedemann	Student Governor	DW	X		
Conor Allen	Student Governor	CA	X		
Clerk					
David Balme	CoCo & Secretary to the Board	DB	X		
Visitors/ Presenters					
Lisa Sproats	Chief Finance Officer	LSp	X		
Steve Wallis	Executive Director of Quality	SW	X		
Scott Mulholland	Chief Information, Data & Estates Officer	SM	X		
Tony Lewin	Executive Principal (Curriculum)	TL	X		
Gerard Garvey	Executive Principal (People & Culture)	GG	X		
Nicola Taylor	Assistant Director of Governance (minutes)	NT	X		

^Attended for part of the meeting

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

1.1. Update from the Chair of Relevant Matters

The Chair opened the meeting and welcomed the attendees.

1.2. Apologies for Absence

The Chair noted:

- Apologies had been received from SA. The apologies were accepted.
- CMc had informed the Chair in advance that he would be joining the meeting late.
- RH had informed the Chair in advance that he would need to leave the meeting at 5pm.

The Board agreed that the meeting was quorate.

1.3. Apologies for Absence

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

1.4. Update from the Chair of Relevant Matters

The Chair provided an update covering the following:

- The appointment of Gillian Keegan, as the 5th Secretary of State in post this year, thought to be the first time that a previous Skills Minister had gone on to become Secretary of State in DfE.
- The appointment of Nick Gibb as Schools Minister noting specifically that this would be the 3rd time, he had held this role and he therefore brought considerable experience to the role.
- The ONS decision as to whether the FE sector should be reclassified into the public sector remained outstanding.

The Board noted the updates.

1.5. Governor Training / External Activity

The Board noted that cross group training had been delivered to members in relation to Safeguarding and Risk Management.

In addition, CMA confirmed that she had undertaken training relating to 'Inclusion' and 'Unconscious Bias'.

The Board noted the update.

2. Strategic Items

2.1. CEG Report

LB presented the report and highlighted the following:

- Strike Action
 - Strike Action by UCU members had continued since the last meeting.
 - Following further dialogue with the Union, agreement had now been reached that both parties would engage in further ACAS led discussions. NCG's desired outcome from this process is to have the union recognise the 3.5% offered and to commit to no further strike action. Should agreement on these points not be reached, then NCG will withdraw from negotiations and implement the pay award as currently offered.
 - Estimates showed that lost income (due to student dropouts / students failing to enrol) was in the region of £400k.
 - Pay had been deducted from staff who had engaged in strike action. This had resulted in circa £165k being withheld.

- Government Appointment
 - The appointment of Gilliam Keegan was considered a strong appointment for the sector.

- ESFA
 - A meeting convened by David Withy (DW) (new CEO of the ESFA) had been held. During the meeting DW had highlighted his intention for the ESFA to operate in a more supportive way than had previously been the case.
 - DW further informed attendees at the meeting that he always found story telling an informative way of learning. As a result, NCG have sent DW a 'story' based on our experiences of the ESFA handling of the MAS Records investigation.

- ONS
 - NCG's management team continue to monitor the potential reclassification of the sector by ONS. Whilst nothing has been confirmed it does appear that the decision will be to reclassify further education into the public sector.

- Local Skills Improvement Plan (LSIP)
 - The NCG principals are currently pulling together engagement experience and once complete this will be shared with our ESFA lead contact, Jayne Dooley.

- HR Report
 - Whilst the report included an HR update, the people plan (which would include detail on the staff benefits package) had been deferred to the next meeting.

- Learner Numbers
 - Learner numbers were included within the report and the NCG management team were pleased to report that 16-19 numbers were slightly ahead of target.

- Possible transfer of Lewisham College to LSEC
 - It was noted that PL and LB would be attending the next meeting of the Lewisham College Board to discuss the possible transfer and to hear the views of the Board first hand.
 - In addition, Sam Parrett (the CEO of LSEC) would also be attending the meeting.

- Possible sale of Deptford
 - 5 potential bidders had engaged in the process, and it is expected that 3 of these will ultimately submit bids.

- Discovery School
 - Discussions had been held with the ESFA around the future value to NCG (and the 6th Form College specifically) of the Discovery School building. At this time, whilst there were no specific outcomes, discussions will be continuing to explore the scope to acquire the Discovery School building which could become an economical way of supporting expansion of the sixth form college.

The Board queried the following:

- Strike Action – Would the 3.5% award be given to union officers and those staff who had undertaken strike action.
 - LB confirmed that the pay award would be offered, and it would be down to these individuals to decide whether (or not) to accept the offer.

- Potential sale of Deptford – What types of organisations are NCG currently in negotiations with?
 - LB confirmed that she was aware that 2 were housing associations however further detail would be provided to the next meeting on the potential sale (which would include details of the organisations who had submitted a bid).
- HR Report – Is staff retention a challenge, being driven by a lack of competitiveness of salaries in the marketplace?
 - GG confirmed that analysis of the NCG data show no clear pattern around the reason for staff leaving the business. More specifically where the data shows ‘salary’ as the cause this is often more related to people looking to increase their salary because of promotion rather than a move to an equivalent role within another organisation.
 - GG reminded members that the People Plan would be brought to the next meeting of Corporation and that this would include further narrative.

In closing this item, the Chair further noted the following:

- The successful outcome of the ONS capital bid which had resulted in the receipt of £5.8m (and how this can be worked into the Strategic Investment Plan).
- The very significant increase in 16-19 year old student numbers currently being reported in Band 3 (168 in 21/22 to 922 in 22/23).
 - TL confirmed that data cleansing was still underway, and it is expected that following the correction of the students timetables most of these learners will move into the full time band.
 - PL **noted** this however highlighted that the inclusion of a commentary to this effect within the published papers would have been beneficial.
- That the Board remained aligned with the management position in relation to the 3.5% pay award being the best that can currently be afforded by NCG and that to offer anything further would not be in the interest of NCG’s long term financial health.

The Board noted the report.

Quality and Performance Report

SW presented the report and highlighted the following:

- 2021/22 Year End
 - Attendance
 - Rates for 21/22 remained consistent with previous periods at 87% for 16-18 and 88% for adults.
 - Retention
 - Rates for 21/22 are lower than target at 89% for 16-18, 92% for adults and 68% for apprenticeships (which whilst lower than target remains above the national average).
 - Achievement
 - 16-18 target rates have not been achieved in any of the NCG colleges, resulting in an expected position where NCG will be below sector average by 2-3 points.
 - In relation to Apprenticeships, a final achievement rate of 60% is below target however is a 7% increase on previous years and provides the first sign of 'green shoots'.
- 2022/23
 - Attendance
 - Concerns reported re attendance as the data shows much lower attendance rates during the first term than had been planned. This is thought to have been caused in part by the strike action where 10 out of 40 days planned teaching had been lost.
 - Safeguarding
 - Circa 200 staff declarations remain outstanding. These are being chased and it is expected that full compliance will be achieved.
 - Lines of Enquiry
 - Suggested LoE had been provided to members in Annex C of the report.

Other points to note:

- 'Management of Apprenticeships' remains a core focus and includes a specific review of apprenticeships making low levels of financial contribution.
- 'Student Surveys' (the results of the induction survey have been included within the papers for this meeting) continue to record strong results and demonstrate that students feel valued and supported within NCG colleges.
- The final '21/22 Scorecard' has completed and is included within the papers for this meeting.
- NCG's 'Self-Assessment' has now been completed and includes an initial review by John Widdowson as the Corporation Link Governor. It should be known that from this process of self-evaluation all NCG colleges remain with a self-assessment grade of Ofsted 'GOOD'.
- The careers annual report was included within the papers for information.
- One student (from Carlisle College) has been awarded a 'Medal of Excellence' at the World Skills joinery awards held in Switzerland. Further an additional 2 students attend World Skills UK.

The Board queried the following:

- The Chair asked for further information in relation to SW's comment that NCG would be below the national average when the rates were published in Spring 2022.
 - SW confirmed that he expected the national rates to drop from 86% to 83% when the new rates were published, compared to the NCG rate of 81%.

ACTION – As a result of this PL requested that this be covered via an additional 'line of enquiry' to ensure it remained a focus for management and the Board during academic year 22/23

The Board noted the report and specifically noted their encouragement because of the improvements made on apprenticeships.

2.2. Finance Report

LSp presented the report and highlighted the following:

- NCG's cash position remains strong, influenced in part by a delay in capital spend.
- Covenant compliance continued to be managed and NCG was expected to remain compliant during future periods.
- Bank interest rates have started to rise, which given NCG's cash levels, will allow investment income to be generated.

ACTION – Investment strategy to be presented for approval at the next Corporation meeting.

- Office for Students capital grant (mentioned within the CEG report) was a real success however some concern was reported around a challenging spend timeline.
- Finance 'education' sessions are being offered within the colleges as it became clear during the CEG all staff meetings that many staff do not understand NCG's finances.

ACTION – At the request of the Chair the slides used at these sessions are to be circulated to Corporation members.

- An 'Early Forecast' Review has been introduced for the 1st time this year. This process will allow management to understand income shortfalls / increased expenditure much earlier than at the normal Q1 forecast.

The Board queried the following:

- LS was asked if the continuation of the MAS Records investigation was expected to cause any issues re NCG's ability to complete the year end accounts.
 - LS responded that whilst she would have preferred a resolution to have been reached, she did not believe, following discussions with the external auditors, that it would prevent the accounts being agreed.

In closing this item, the Chair specifically noted his support for the introduction of the early forecast review, stating that he would recommend this forms part of the annual process moving forwards.

The Board noted the report.

Chris McCourt joined the meeting.

2.2.1. Affordability of Investment Plan

LSp and SM presented the report which set out the following:

- Of the planned £136m investment spend, circa:
 - £17.1m relates to estates maintenance
 - £76.2m relates to the estate's strategy
 - £20.7m relates to heat decarbonisation.
 - £21.2 relates to IT investment.
- To fund this income will be generated via:
 - £7m learner growth – in part a focus on AEB and recognition of a demographic growth of student numbers across the period of 18%.
 - £22m operational efficiencies – in part through 'Brilliant at the Basics' and through reduction of utilities costs because of decarbonisation spend.
 - £59m asset disposal – in part through disposal of Newcastle assets (£23m), Deptford (£35m), Van Hee (£0.3m) and Chatsworth House (£0.3m).
 - £48m capital grants – £8m already confirmed, £10.8m linked to decarbonisation, £13.1m where projects have been identified but not confirmed and £16m where opportunities are yet to be identified or scoped.

The Board queried the following:

- It was noted that whilst decarbonisation will generate cost savings in the long run, in the short term it would often lead to cost increases.
 - LSp confirmed that this had been considered within the plan.
- It was noted that the value of land (especially in London) was going down quickly (especially in relation to housing projects) and questioned if as a result NCG may want to hold onto assets for an increased period.
 - SM confirmed that feedback from JLL (NCG's land agent) was that the potential interest (and hopefully value) in respect of Deptford remained strong, with the outcome only being known once bids had been submitted.

The Board noted the report and supported the identified need for investment.

2.3. Discovery School.

The Chair **noted** the report and the fact that this had been discussed under item 2.1 of this agenda.

2.4. Learner Recruitment.

TL presented the update referring to the report provided within the papers. Specifically, he noted:

- As of the date of the meeting NCG were 93 students ahead of the target 16-18 numbers. Further TL confirmed that confidence in the stability of the numbers had been achieved which provided confidence in the income numbers that would be used by the finance team to plan next year's financials.

- HE numbers remained down on target. The cause of this would be discussed in detail at the HE Governance Committee to be held on the 11th November.

ACTION – At the request of the Chair an update on HE is to be brought to the next meeting of Corporation.

Further it was highlighted some commentary that NCG were not the only provider of college based HE to have experienced recruitment challenges this year as many students who would have enrolled have chosen an employment route instead of an education one.

The Board queried the following:

- The Chair referred to Kidderminster College where records showed the college to have missed its 16-19 target by 143 students.
 - JW (answering as the Interim Chair of Kidderminster's College Board) explained that the shortfall was the result of a drop in internal progression, learners being retained locally by school 6th forms and original targets being a bit optimistic.

ACTION – At the request of the Chair an update on recruitment at Kidderminster is to be brought to the next meeting of Corporation.

- Further to this SW noted that Kidderminster had experienced a 5% drop in its retention numbers (91% down to 86%) and given that 1% equates to circa 34 students, 5% would be circa 160 students.

The Board noted the report.

3. Items for Approval / Noting

3.1. Appraisal & Remuneration Committee Annual Report 21/22

DB presented the report to members noting that it had previously been considered and was being endorsed by members of the Appraisal and Remuneration Committee.

MS (Chair of the Appraisal & Remuneration Committee) confirmed that due to the wider financial challenges no pay award was proposed for NCG's senior staff. MS further noted that this decision had been taken with regret as the committee had noted that senior staff had performed strongly throughout the year.

The Board approved the Appraisal & Remuneration Committee Annual Report.

Rob Holt left the meeting

3.2. Risk Management Annual Report 21/22

DB presented the report highlighting the work undertaken across the business over the last 12 months.

The Board approved the report.

3.3. GDPR / Information Governance Annual Report 21/22

DB presented the report highlighting the work undertaken across the business over the last 12 months. Further DB highlighted to members the staffing challenges that had been faced in this area that have resulted in both posts being currently vacant.

The Board approved the report as well as noting the urgency of filling the staff vacancies in this area.

3.4. Approval of Updated Subcontracting for 22/23

DB presented the report, highlighting the changes since the last subcontracting report to this committee.

The Board approved the report.

3.5. Approval of Careers Annual Report for 22/23

SW presented the report noting that the delivery of Careers Guidance is a governmental requirement within FE Colleges.

The report provides the results of NCG's assessment against the Gatsby Benchmarks. Whilst these results are subjective, they do allow members to form a view of the effectiveness of the careers offer. In this case the results show that 9 out of 10 students feel careers guidance is strong (although it is acknowledged that in terms of apprentices the results were not as strong).

The Board approved the report.

3.6. Corporation Matters (including Professional Liability Cover)

DB presented the report and made specific reference to the governor appointment recommendations presented for approval. In addition, DB highlighted that an expression of Interest for the role of Vice Chair of Corporation had been received from John Widdowson.

The Board noted the report and approved the following appointments:

- **Appointment of Ian Hinksman as an Independent Governor of Kidderminster College Board for a term of 4 years.**
- **Appointment of Simon Bowker as an Independent Governor of Newcastle College for a term of 4 years.**

Further and following a specific discussion (during which JW left the meeting) the Board **approved** the appointment of John Widdowson as Vice Chair of Corporation Board.

Action: Governance Team to process appointment approvals.

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

4.1. Minutes of the Previous Meeting – 13th September 2022

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.

4.2. Confidential Minutes of the Previous Meeting – 13th September 2022

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

The Board approved the confidential minutes.

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.

Action: Governance Team to circulate the final draft of the ‘elevator pitch’.

4.3. Committee Minutes

The following Chair approved Committee meeting minutes had been shared for information within the files section of the Corporation Board Teams Channel:

- Lewisham College Board Minutes – 29th June 2022
- Newcastle 6th Form College Board Minutes – 30th June 2022
- Southwark College Board Minutes – 4th July 2022
- Carlisle College Board Minutes – 5th July 2022
- West Lancashire College Board Minutes – 6th July 2022
- Newcastle College Board Minutes – 11th July 2022

The Board noted the Committee minutes.

5. Evaluation of Meeting and Information Sharing

The Board **discussed** the items covered, noting the continued focus on key items and were encouraged by the progress made.

In addition, concern was expressed re the current TEAMS related issues where updates made to the papers were not always reflected on the copy viewed by every member. DB confirmed that he was aware of the issues and that IT colleagues were looking at the issues. DB agreed that in the short term any amendments made following the publication of papers would be emailed to members.

6. Any Other Business

World Skills

PL confirmed that he would be attending the World Skills event held in Edinburgh in November and that he would attempt to contact the NCG student attending.

7. Deferred Items

7.1. HR Annual Report 21/22

The HR Annual Report will be provided to the next meeting of the Corporation and will comprise a framework document linked directly to the People Plan. This will ensure that whilst the Corporation is compliant in approving the annual report the document (and challenges noted) relate directly to future plans.

7.2. Health and Safety Annual Report 21/22

The Health and Safety Report will be approved at Estates Committee on 8 November 2022. Confirmation and a copy of the final report will be provided to the next meeting of Corporation Board.

7.3. People Plan

Following his appointment to the revised role, GG continues to work on the drafting of this document. Whilst it remains outstanding at this time it will be reported at the next meeting of Corporation.

7.4. Relationship Report

Due to other ongoing commitments, it has not been possible to finalise this report for the meeting. Relationships will be reported on at a future meeting, however.

8. Time and Date of Next Meeting

The next meeting is scheduled for Tuesday 13th December 2022.

Approved: