

NCG – Corporation Meeting

Minutes of Meeting held on Tuesday 8th October 2019 – 3pm to 6.15pm

| Details | | | Attendance | | |
|---------------------------------|---|----------|------------|-----------|---------------|
| Full Name | Position | Initials | Attended | Apologies | No Attendance |
| Peter Lauener | Chair of Corporation | PL | X* | | |
| Mark Squires | Governor | MS | | X | |
| Caroline MacDonald | Governor | CM | X | | |
| Chris Roberts | Governor | CR | X | | |
| John Cuthbert | Governor | JC | X | | |
| Liz Bromley | CEO – Ex-Officio Governor | LB | X | | |
| Cameron Hartley | Student Governor | CH | X* | | |
| Brian Archibald | Staff Governor (approved at this meeting) | BA | X* | | |
| Visitors/ Presenters | | | | | |
| Chris Payne | Deputy CEO | CP | X* | | |
| David Balme | Executive Director Governance, Assurance & Risk | DB | X | | |
| Mike Wilmot | Chief Financial Officer | MW | X* | | |
| Karen Heaney | Chief Operating Officer | KH | X* | | |
| Steve Wallis | Executive Director of Quality | SW | X* | | |
| Tony Lewin | Principal – Newcastle College | TL | X* | | |
| Nicola Taylor | Assistant Director of Governance (minutes) | NT | X* | | |
| Matt Hamnett | MH&A | MH | X* | | |
| Glynne Stansfield | Eversheds | GS | X* | | |

*Attended for part of the meeting.

1. BoardPacks Training

DB provided the Board with a revisit of the BoardPacks training, which included guidance on the user interface, the use of public and private notes within agenda items, the use of the search function within BoardPacks to find relevant documents and the different sections within BoardPacks such as the Knowledge section. A hard copy user guide was provided.

Action: NT to recirculate via email.

PL asked all governors to attempt to use the public and private note function for at least one agenda item for the next meeting. DB reiterated that the use of the public notes should be used to ask questions or seek further information in advance of the meeting.

Action: All governors to attempt to use the note function on BoardPacks for the next meeting.

BA joined the meeting and apologised for the delay.

2. Meeting Administration

2.1. Opening of Meeting and Welcome

The Chair opened the meeting and welcomed the attendees. PL welcomed BA following his election as Staff Governor, and the Board formally approved his position on the Board.

Action: NT to send BA relevant documentation.

BA was welcomed to the Board and introductions took place.

The Chair noted that MH and GS would be joining the meeting for Item 3.4.

2.2. Apologies for Absence

Apologies were received and accepted from MS.

2.3. Declarations of Interest

No new declarations of interest were reported. PL noted that he and CP would be leaving the meeting for Item 3.4 due to being Company Directors of Intraining and Rathbone. PL additionally confirmed that there was a confidential item on the agenda (Item 8), and that BA, CH, CP, SW, MW, KH, TL and NT would be asked to leave the meeting due to the highly confidential nature of the item. DB would take over the minuting of the meeting at this stage.

2.4. Review of Minutes from the Previous Meeting – 11th September 2019

The Board reviewed the minutes of the previous meeting and agreed that these were a true and accurate reflection of the meeting. The Chair signed a hard copy for filing purposes.

2.5. Register of Board Actions

The Board reviewed the register of actions and noted that actions were going to be covered within the meeting agenda.

PL asked about the timeline for Lewisham College and KH confirmed that this would be brought to the November meeting due to the various moving parts of the process. PL confirmed he would like a timeline of dates even if plans are estimates.

Action: KH to provide timeline for Lewisham College Property Strategy at November meeting.

SW confirmed he was happy to provide any training or further information sessions on data or quality that governors required. It was confirmed that JC already had an additional session booked to explore data in more detail. PL requested SW to circulate any sessions booked in, in case other governors were available to attend.

Action: SW to advise Board of arranged sessions, where applicable.

KH provided an update on Health Surveillance, confirming this is progressing well. All colleagues who were potentially at risk were identified. The next stage is to start face to face assessments with Occupational Health.

The Board noted the updates.

2.5.1. Action Update – Update of Augur Review

Due to current political climate impacting on the implementation of this report, detail will be provided to the committee when / if relevant.

The Board noted the update.

2.5.2. Action Update – NCG's Strategy on Apprenticeships

LB provided an update and confirmed that as part of the work with principals regarding them leading on areas of work, GG (Principal at Carlisle College) will be leading on the apprenticeship portfolio. LB confirmed she had had conversations with both [REDACTED] with regards to collaboration in terms of apprenticeships. LB wants to ensure that the strategies work alongside each other in terms of quality and HE. PL reiterated the need to move ahead with the improvement of apprenticeship provision.

The Board noted the update.

2.5.3. Action Update – Governor Learning Walks

DB confirmed that guided learning walks had been added to the Corporation work plan for 3 times per year, and confirmed that these would take place during the Corporation meetings which are based at College sites. PL queried the upcoming location visits and these were confirmed as; West Lancashire in February and Newcastle Sixth Form in June. PL requested that this was amended to Carlisle in February as PL would like to visit Carlisle in light of the work around apprenticeships.

Action: NT to make amends to the work plan.

The Board noted the update.

2.5.4. Action Update – Bourneville Report

The Bourneville Report was discussed at the Audit Committee in September 2019, along with the analysis prepared by DB (which is available on the Knowledge section of BoardPacks). Work will progress around the implementation of the actions and this will be monitored through to completion by Audit Committee.

The Board noted the update.

2.5.5. Action Update – Review of Pay Increments

TL presented the paper and confirmed that the process for withholding incremental pay progression for colleagues with performance below the required standard had been implemented at Newcastle College, however this wasn't possible at Lewisham & Southwark College due to ongoing challenge from the Unions with regards to the new TLA policy. To this end, 15 members of staff identified as RI at Lewisham and

Southwark *did* receive their increment. PL challenged that this undermined the policy, and TL confirmed that the Unions had argued that staff hadn't been given sufficient notification that their observation would have an impact on their increment and therefore the increment wasn't able to be withheld. This was due to a clear conversation not having taken place between the relevant Head of Department and staff members. TL confirmed that clear procedures were now in place to prevent this from happening going forwards.

Newcastle College had a total of 299 staff members moving to the new pay scale with effect from 1st August 2019. JC asked how many of the 299 staff were teaching staff and it was confirmed that this was 200. 36 of which did not reach the required level and therefore didn't receive an increment.

The Board noted the update.

2.6. Matters Arising

2.6.1. Senior Post Holder Appeal

PL confirmed that there had been a Senior Post Holder Appeal and this was currently being dealt with.

The Board noted the update.

2.7. Governor Activity

This was an opportunity for the Board to advise of any activities which they had recently been involved in with would act as CPD, training etc.

- PL and JC confirmed they had watched the AoC webinar on the change in inspection framework.
- JC confirmed he would be meeting with SW to look at data and quality in more detail.
- JC confirmed he would be meeting with MW to look at KPIs in light of the ESFA letter.
- PL confirmed he had been interviewed by Gatenby Sanderson with regards to the differences between his previous roles and current role as Chair of Corporation at NCG.
- PL confirmed he had been involved in a Construction in HE seminar.

3. Substantive Items

3.1. Report and Update – Chief Executive Officer

LB presented her report and sought clarification from the Board that they were happy with the format / length / level of detail of the document, which the Board confirmed they were.

LB confirmed that work had continued on the NCG strategy, and provided the mock-up of the draft hard copy version. Work has continued to engage colleagues at different levels with strategy, vision and mission.

LB advised members of the portfolios of work in which the principals are to lead on:

- Denise Williamson (Principal at West Lancashire College) – Communication, PR, Marketing and Branding.
- Grant Glendinning (Principal at Carlisle College) – Apprenticeships.
- Gerard Garvey (Principal at Newcastle Sixth Form College) – Improvement in English and Maths.
- Tony Lewin (Principal at Newcastle College) – Higher Education Strategy.
- Andy Dobson (Principal at Kidderminster College) – Leadership Development.
- Annette Cast (Principal at Southwark College) – Professional Services.
- Asfa Sohail (Principal at Lewisham College) – Quality and Ofsted Readiness.

Principals' deputies are also included in this work as part of succession planning and to provide further opportunities. In addition to this, the Principals are also drawing up snapshots of a SWOT analysis of their college to provide a clear picture of the current position.

Although there is an agency contract with Morgan Hunt, which was a good move for NCG, LB would like to explore the use of using NCG's own students as agency workers as this allows development opportunities for learners in terms of work experience and earning money. This could also assist with learner retention.

PL requested a copy of any information available from "The College of the Future" seminar held in London, chaired by Sir Ian Diamond.

Action: CP to send any relevant information.

CP also confirmed he had invited Amanda Melton and her team to NCG for a visit, and had also offered to host any NE activity.

The Board noted the report.

3.2. NCG Strategy

LB presented the strategy update and the glossy hard copy document, confirming that this would include the values and KPIs once agreed. PL asked when these aspects would be agreed, and it was suggested that the KPIs would be agreed in November, and the values would be agreed in December (as they are currently under consultation with staff and students). JC agreed the need for strategic objectives.

PL queried as to whether the vision was too generic. LB confirmed that the wording had been thoroughly debated at the recent Executive Away Day. JC suggested that the vision could include "college" group rather than "educational" group as he doesn't know of any plans to expand further, and LB agreed that if the decision was taken to go with "college" group, this could

be amended in the future if needed. PL agreed for the Board's suggestions to be noted and taken for Executive Approval.

Action: LB to consider Board suggestions however it was noted that the document did not need to come back to the Board for approval.

BA confirmed he was happy to see the strategy laid out in this format and felt the document was explanatory.

The Board agreed the mission and strategic pillars, noted when the KPIs and the values would be agreed and asked for LB to take the Board's suggestions to the Chief Executive Group.

3.3. Report and Update – Chief Finance Officer

MW presented the Finance report and confirmed there were no accounts available at this point, however that there would be for the next meeting. MW shared the following key messages:

- The latest 16-18 student recruitment numbers appear promising, with a firmer view expected after the 42 day period having closed. However, there are concerns around the HE and apprenticeship numbers. CP confirmed that adult recruitment was looking stronger. CR noted his concern with the number of learners taking up A Levels at NSFC, and confirmed that this was a repeat on the decrease experienced during the previous year. MW confirmed that this is a worrying trend, however 2nd year retention is better. CP confirmed that this was being looked into, and that a lot of learners had remained at their school sixth form. It's also possible that the Ofsted grading may have had an impact on recruitment. CP noted that the results at NSFC were very good this year, however it's too early for this to have had an impact on learner numbers. LB noted that they would like to further market NSFC, however this can't be done until there is full confidence in the quality of learning. PL noted that this period is still within the demographic downturn, and CP confirmed that this was the last year. CR wanted his concerns around this noted.
- Cash was £2.1m higher than budget for the end of August.
- The Financial Health Score for 18/19 is expected to be 140 points. This is in line with the forecast. CR queried the *expected* score of 140 as thought this had already been confirmed. MW confirmed that 140 was used for the forecast, and the auditors haven't flagged that this would be anything different than forecasted and therefore there is confidence around the score being as expected.
- Project Apple costs have been £2.5m higher than budgeted. Largely due to higher than budgeted costs in dilapidations, consultancy fees, redundancy costs and ongoing training. It is hopeful that the dilapidation costs can be decreased following ongoing conversations with landlords. Due to data cleansing, there is also a loss of income due to learners not being correctly removed from the ILR. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- Learner records data has improved since the last report however there is still significant work to be done. Rule violations are down in the colleges and this is promising, however the position is not yet good.
- There are concerns around covenant compliance. MW confirmed that there is going to be stress on the covenant compliance around Q2, Q3 and year end. [REDACTED]
[REDACTED]
[REDACTED]

Work is being undertaken around working capital. MW confirmed he believes the covenants are manageable, however wanted to note his concerns. CR wanted assurances that the finances were manageable. MW noted that they are manageable, however wanted to note his concerns and reiterate how tight the finances were looking to be. Decisive actions will need to be taken to ensure covenant compliance. MW reminded the Board that the ESFA had agreed to keep the funding the same following the closure of Rathbone, as NCG had confirmed they were expecting learner number growth which would balance out the reduction. This looks to be in line, however if ESFA looked to clawback any funding, this would be damaging. PL wanted to further clarify the position in terms of covenant compliance, and MW confirmed that he was flagging this issue as a significant risk, and the teams are mitigating wherever possible. Staff recruitment is currently paused and there is the potential to further restrict Capex. Work has been undertaken to reduce debtors and this has been hugely successful, at around £3m lower than this point last year. However, MW reiterated he was unable to estimate any unknown or unexpected costs, and that any further costs would be difficult to manage. CR asked if there was any potential financial gains, and MW responded that spending would need to be very careful and that the selling of [REDACTED], without spending the generated funds, would be beneficial. CR asked what the mechanism and timing would be to inform the Board of any issues around this, or when further information would be available. MW confirmed that the cash flow is updated monthly, along with updating the Training Providers forecast regularly. The full Q1 re-forecast will be reported at the end of this calendar year, which will have a more robust view.

JC asked if the finances were now closer to the “bad” case scenario previously provided, and MW suggested this was the case and there would be a clearer picture provided after R14. MW was unable to comment on the likelihood of an ESFA audit or the potential outcome of this.

PL noted that the Board would be closely monitoring finances on a monthly basis. PL requested information including the best case / worst case / most likely case scenario.

Action: MW to provide the Board with a best case / worst case / most likely case scenario at each Board meeting, including any improvements / stagnations.

The Board noted the report.

3.4. Project Apple – Closure Report

PL confirmed that he and CP would leave the meeting due to the conflict of interest aforementioned, and that CR (as Vice Chair), would take over the chairing of the meeting for this item.

PL and CP left the meeting.

CR confirmed that MH and GS would be joining the meeting for this item.

MH and GS joined the meeting.

CR confirmed that the report was advising of 3 potential options. CM noted that she had not been able to access the document. CR asked MH to provide a synopsis.

MH confirmed that there are around 100 learners remaining, and work is being undertaken to broker these learners to alternative provision. Good progress is being made in terms of properties. The cost of the project is £2.5m higher than expected. The Board asked if there is likely to be improvements on the property costs and MH confirmed that negotiations were ongoing. There is a risk around revenue and there will be further information around this following the submission of the final ILR and any potential ESFA audits.

The three options are:

Option 1 – Continue to fund wind-down through its natural conclusion.

Option 2 – Withdraw financial support imminently.

Option 3 – Continue to fund in the immediate term whilst continuing to undertake regular review.

The Board fully discussed each of the options in turn, noting the potential risks / implications of each option. The Board agreed that Option 2 was not suitable at this stage, as the Board had previously agreed that they wish the wind-down has been done in the best way possible for staff and students. The Board also agreed that protecting reputational risk was important.

CH left the meeting

MH reiterated that estimate figures are only based on information currently known, and therefore the revenue position could still change. JC asked if anything had been included in the forecast with regards to any potential clawback and MW confirmed not as this was currently unquantifiable. DB suggested an estimate could be made and asked how much the ESFA contract had been worth, to which MW stated that the clawback could go back a number of years, making any calculation very difficult.

CR asked MW for his opinions on the potential options. MW suggested that from a financial position, it would be better to stop funding, however understanding the risks around this, for example, reputational, ESFA, pensions etc. his recommendation would be to accept Option 3 whilst continuing conversations with creditors.

CR thanked MH and GS for attending, and asked them to leave to allow the Board to make their decision.

MH and GS left the meeting.

The Board agreed that they would like to proceed with Option 3. The Board agreed a refresh for the Sub-group which would be CR, JC, CM and MS. LB would also attend. This sub-group would have delegated authority to withdraw NCG's financial support for the wind-down if / when considered appropriate. The Board agreed to continue to use Eversheds for legal support.

PL and CP re-joined the meeting.

3.5. Report and Update – Executive Director of Quality

SW presented his report and confirmed that strategic risks / lines of enquiry had been added for each College Board. PL asked about the process of this and SW confirmed that they are lines of enquiry agreed with the Principals by College Boards, which they then take ownership of and make their own internal enquiries. SW noted that the principals are very self-aware of their own college position.

JC confirmed that this information was very useful and provides focus. JC requested a mechanism to see the College Board responses to the lines of enquiry as this will allow the Board to monitor this delegated authority.

Action: SW/DB to consider a way of the Corporation Board being notified of the College Board response to the lines of enquiry.

SW noted that a lot of progress has been made since the Ofsted inspection. The data for 16-19 learners and 19+ learners are both above National Average. Improvements still need to be made however. More work is being undertaken with learners to collect their views on experiences.

BA agreed that there is now more of a focus on the skills and behaviours of learners, and BA suggested that new staff have taken to this easily however some of the staff who have been at the college longer are stuck in their ways and this is a challenging culture change.

CM noted that the Lewisham and Southwark College data was combined, and asked if the colleges would see their data separately going forwards. SW confirmed that this would be the last time in which the data would be combined as future data would be based on the new academic year which would show separate colleges.

JC noted that there is delegated responsibility to the Local College Boards for strategic intent, however felt that the Corporation are distant from this and have no real understanding of how this is being fulfilled. JC requested a better communication stand to ensure the Corporation Board are fully informed. PL asked if strategic intent could be explored during the learning walks, and JC suggested he would like to see a presentation / explanation on this.

Action: SW to explore this idea further.

TL noted that the curriculum intent and impact had been presented to the Newcastle College Board at their last meeting and this was accepted. This information was backed up by the curriculum intent statements.

SW noted that once the NCG strategy is approved, colleges will then update their own local strategies including the curriculum aspects.

JC asked if College Boards are looking into the demographics of their learners and community and SW confirmed that this was recently built into the SAR.

PL noted his concerns that progress has not been as expected in English and Maths. SW confirmed that GG (Principal at NSFC) is now supporting this item as part of his cross group principal portfolio – SW continues to support. SW did note that a number of local progress measures have improved the quality of teaching and learning, however more focussed work is required to improve learner attainment. SW noted that early indicators for NCG will remain around the average for high grades and progress score. Any variance between predictions and high grade attainment are being explored through SAR and the QCPR. SW also noted that attendance for English and Maths, although improving, remains below NCG expectations. The learning following the SCIF will be applied fully in this academic year.

SW suggested that the current apprenticeship rate indicates that the proportion of apprenticeship frameworks standards is likely to breach minimum standards. This is despite a published headline overall achievement that will be marginally higher than last year. PL noted that work has started to improve this going forward with GG (Principal at Carlisle College), who is focussing on a new apprenticeship strategy. Operational improvements are still being led by college SLTs and the apprenticeship council. PL wanted to ensure that there was a focus on progress of apprenticeships each month to monitor performance.

Action: NT to ensure this is a repeat agenda item.

4. Items for Approval / Discussion

4.1. Corporation Matters

DB presented the Corporation Matters paper, and confirmed that Kidderminster College Board were locally recommending two appointments to their Board; Maria-Ilinca Dima (Student Governor) and Peter Gennard (Staff Governor).

The Board approved the two appointments to Kidderminster College Board.

5. Policies / Annual Reports / Terms of Reference

5.1. Risk Management Annual Report and 19/20 Policy Approval

DB presented the Risk Management Annual Report and suggested this was more of a progress report. DB confirmed this report had been through Audit Committee. It was noted there had been a discussion within the Chief Executive Group (CEG) meeting earlier in the day, and there had been agreement to split the risk register into 2 separate registers; business specific v strategic risks. The paper discussed had been added to the BoardPacks.

PL noted that as the Board had not had a chance to review this, members should review and add comments to the document on BoardPacks.

6. Items for Note / Information

6.1. College Board Minutes

DB presented the approved minutes from the following College Boards:

- Newcastle Sixth Form College Board – July meeting
- CR queried the incident at NSFC in which the minutes were referring to with regards to examinations in which there was a suggestion this may affect future student recruitment. SW advised the Board that during the recent exams a number had started late due to administrative failings. SW confirmed that a formal investigation took place and recommendations made. CP noted that NSFC had managed this incident well in terms of mitigation.
- Newcastle College – June meeting
- Carlisle College – June meeting
- West Lancashire College – June meeting

The Board noted the minutes.

6.2. NCG College and Student Updates

DB presented the report, and the report was taken as read.

Governors were asked to highlight any questions / queries / challenges in advance of the meeting and none had been received. The Chair offered Governors the chance to make comments.

The Board noted the NCG Divisional Updates.

6.3. Information Flows Received from College Boards

Newcastle College

There was a comment from the Newcastle College Board with regards to the Terms of Reference 'Request made by Board regarding point 2.8 on the updated Terms of Reference for the Board. The question is whether this could be reworded as at present it implies that the Newcastle College Governors have to agree with anything that is in NCG's interest, even in instances where it is not in the best interest of Newcastle College'. DB took this point on Board and suggested an amendment that any discrepancies of interests between the college and NCG are to be highlighted to the Corporation Board – the Board can then take a view.

Action: DB to amend terms of reference as agreed and respond.

Carlisle College

Carlisle College highlighted their concerns with attendance, and asked for support with dedicated resources and how Group could assist with this issue. The Board considered this, and SW suggested they would be looking for

tutorial coaches / pastoral staff to assist with the chasing of non-attenders, and monitoring students closely, which a number of the other colleges have.

The Board noted the issued and agreed that this was an Executive Team responsibility.

Action: CP to progress this matter.

7. Any Other Business

Student Bereavement

SW noted that Carlisle College are currently dealing with the bereavement of a student. The Board noted that they would like to pass on their condolences.

Action: NT to pass on condolences to GG.

Brexit

CR queried if there was any work being undertaken across the group with regards to assisting those staff members who need to register by 31st October, and asked if there was awareness of the staff demographic. CR also suggested if there could be a generic report produced on Brexit to advise the Board on the potential implications / consequences etc. LB confirmed that TL's team were currently working on a social policy, and they could be asked to include analysis of the potential impact in the different regions.

Action: LB to speak to SS and team with regards to additional task.

DB confirmed that the DfE have recently issues some information and DB has recently written to colleagues to ensure compliance.

Action: DB to follow up on work around Brexit.

DfE Lord Glenamara Memorial Awards 19/20

LB wanted to highlight the letter from the DfE with regards to the Lord Glenamara Memorial Awards 19/20.

Lord Agnew Letter to College Principals / Chair of Governors

DB wanted to highlight the letter from Lord Agnew to College Principals / Chairs of Governors.

8. CEO – Confidential Item – Covered under separate minute

As per 2.3, PL asked BA, CH, CP, SW, MW, KH, TL and NT to leave the meeting due to the confidential nature of this item. PL confirmed that DB would take over the minuting of the meeting.

BA, CH, CP, SW, MW, KH, TL and NT left the meeting.

9. Date and Time of Next Meeting – 5th November 2019