

## NCG – Corporation Meeting

Main Minutes of Meeting held on Tuesday 19<sup>th</sup> July 2022 – 9am to 12pm

Rye Hill House

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

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		
<b>Clerk</b>					
David Balme	CoCo & Secretary to the Board	DB	X		
<b>Visitors/ Presenters</b>					
Lisa Sproats	Chief Finance Officer	LS	X		
Steve Wallis	Executive Director of Quality	SW	X*		
Chris Payne	Deputy Chief Executive Officer	CP	X		
Scott Mulholland	Chief Information, Data & Estates Officer	SM	X*		
Tony Lewin	Executive Principal South	TL	X		
Grant Glendinning	Executive Principal North	GG	X*		
Nicola Taylor	Assistant Director of Governance (minutes)	NT	X		
Sarah McGrath	Principal of Carlisle College	SMc	X*^		

## 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 CR and MS.

**The Board agreed that the meeting was quorate.**

The Chair noted the following:

- SMc, Principal of Carlisle College, would be in attendance for item 3.4.

The Board were asked if they had any interests to declare in relation to the planned agenda items, the following was noted:

- SA confirmed that she has been appointed to the University of Cumbria Board.

**Action: NT to circulate declaration of interest form and SA to update response.**

- RH confirmed that Clear Futures was a Robertson joint venture, however he was not involved. It was confirmed that this had already been declared on RH's declaration of interest.

**The Board noted the updates.**

### 1.1. Update from the Chair of Relevant Matters

The Chair referred to the previous day's Corporation Board Strategy Day. The Chair confirmed that this had been a very positive day with several valuable and informative presentations / discussion topics.

**Action: NT to circulate presentations.**

**The Board noted the update.**

### 1.2. Governor Training / External Activity

The Board were asked if they had any relevant activity to report and they referred to their attendance at the Corporation Board Strategy Day on 18<sup>th</sup> July 2022.

**The Board noted the update.**

#### 1.2.1. Sharing of Link Governor Feedback

The Chair noted that importance of sharing Committee updates, as well as Link Governor Feedback. This was also highlighted as an action in the Board self-assessment. The following updates were provided:

- The Chair of HE Governance Committee (CMA) confirmed that that the NSS results had been made available and the NCG results were extremely good with improvements noted over the last few years. It was specifically noted that the 'learning resources' satisfaction rate had increased, showing that the investment in improvements had been recognised.

- The Chair of the Audit & Risk Committee (AC) noted that the Committee has received an update from SW regarding the Apprenticeship Improvement Plan along with further updates regarding business continuity, MAS records and the Learner Data Service. The Committee had also received a useful presentation from the external auditors regarding their plans for 22/23.
  - The Board **queried** the confidence levels of the assurance system. The Audit & Risk Committee agreed that they felt there was a healthy tension in place with continuous audits and improvements were noted from the starting position.
- The Chair of the Estates Committee (RH) noted that the Committee continued to receive routine updates on the progress of the estate strategies and the environmental strategy, and they took comfort in the work undertaken to ensure the safety of staff and students.
- The Apprenticeship Link Governor (RH) noted that he would link into SW going forward.
- The Safeguarding Link Governor (JS) confirmed that the Safeguarding Council was a real strength across the Group and allowed the sharing of best practice and approaches to complex issues. It was noted that the investment of MyConcern had been worthwhile and ongoing Safeguarding training was in place.
- The Chair of Equality, Diversity, Inclusion & Belonging (EDIB) (SA) noted that she continued to attend the EDIB meetings which were interesting and helpful to see the progress of the EDIB strategy.
- The Data Link Governor (CMc) noted that he had held sessions with SMc and DB to gain a better understanding of the plans to improve and noted the large volume of data collected.
- The Curriculum Link Governor (JW) noted that planning was underway for the next academic year, and that work had been undertaken regarding changes in learning hours and costing the curriculum.
- The Staff / Learner Voice Link Governor (JM) noted that she had been involved in the Colleague Engagement groups relating to the Colleague Engagement survey which included looking at the analysis in more detail and creating a structured plan to make improvements.

## 2. Thematic Discussion and Feedback Session

### 2.1. Approval of 22/23 Budget and Business Planning

LS presented the report and highlighted the following:

- Q2 EBITDA was c£6.3m (200k lower than budget), and the year-end expected position of £6.5m. LS noted the significant recovery considering the increase of utilities costs and noted that savings had been made due to challenges with recruitment. LS also noted the decision to delay non-critical staff vacancies.
- In relation to Q3, college performance was in line with Q2, however there was a further shortfall in adult income at Lewisham.

*Section of this item covered under a confidential minute.*

- For 22-23:
  - There was an 8% increase in 16-19 funding with the requirement for additional hours. Work had been undertaken to create efficiencies to achieve the required hours without additional spend where possible.
  - £6m EBITDA had been planned for 2022/23, compared to £6.5m 21/22 Q3 forecast. LS noted that this was still lower than she would like however rising energy and other costs needed to be included in spend plans so limiting the EBITDA that could be achieved.
  - In terms of risks and opportunities, adult income remained a risk with colleges struggling to achieve their targets, a 35% increase had been built in for utilities (however LS noted the caveat that following updates, this may now not be sufficient to cover the costs however work was underway regarding usage and efficiencies wherever possible) and pay negotiations. LS noted opportunities around bids and vacancy management.
  - There was a continued focus on ensuring covenants were to be met, with cash available to invest. There was an expected low point in April 2023 which was to be monitored carefully. LS noted comfort in the expected cash balances.
  - The infrastructure masterplan would be presented to the Board in September, and once costs were known, further opportunities would be explored.
  - In terms of loans, the recommendation was to proceed with the variable rate for the refinancing as discussed at the June 2022 meeting.
  - Two T Level capital bids had been awarded which had been included within the forecast and required match funding. Further outcomes were awaited.
  - Financial health was expected to remain Good for 22-23 and 23-24.
    - LS noted that data was being collected to understand what would happen if one of the FEC benchmarks was to change regarding the debt score. LS noted that this

change if implemented would push NCG to requires improvement and suggested that the change would lead to widespread concern across the sector.

**The Board queried the following:**

- View of suggested learner numbers – LS noted that there had been issues with adult income within the current year and noted that projections for 16-18 recruitment were cautious, but she was happy with the approach taken. LS suggested that the colleges to monitor were Carlisle and Kidderminster. LB suggested that improvements were to be made in marketing and this would hopefully lead to increased numbers. LS noted the focus on not wishing to withdraw costs at a later date if numbers were not as expected and therefore reassured the Board of the prudent approach.
- Growth in apprenticeships – SW confirmed that there was an expectation of growth in apprenticeships, however noted the impact of availability of employers and students. SW noted that NCG were coming to end of the 'Reduce to Produce' phase and were now expecting an uptake in the agreed occupational areas where we could have confidence in the quality and feasibility of employer engagement. SW confirmed that a learning group of a minimum of 10 was required for a programme to run, and that further work was being done on 4cast regarding margins and true delivery costs. SW confirmed that there needed to be a sensible approach to growth, and he would like to see numbers of c3000 over the next 18 months.

LS and SW noted that NCG were hoping to have a clearer indication of apprenticeship starts at this point in the following year.

- The Interim Chair of Kidderminster College Board (JW) noted that Kidderminster were looking to submit a business case around local decision making in relation to entry requirements, due to potential apprentices being turned away. SW confirmed that the set entry requirements were standard across other organisations and sensible. SW also noted that there were entry routes in place for those without the necessary entry requirements to enable them to progress. It was suggested that some employers were suggesting that they did not need the entry requirements to apply to them, however SW reiterated the impact of learners leaving / not completing their apprenticeship and confirmed the entry requirements were in place to aid a learner success.

SW also referred to the issues with engagement in English & Maths and noted that a decision around the removal of the required entry requirements would further impact this area.

The Board **agreed** for this to be explored further, and **requested** for the Apprenticeship Council to consider the following:

- Entry requirements for apprenticeships, noting the specific concerns raised by Kidderminster College.
- Progression pathways.

**Action: SW to discuss entry requirements and progression pathways at the next Apprenticeship Council.**

- Risks regarding construction inflation – LS noted that the Estates Team had been considering this with necessary contingencies however agreed that this was a concern with original bid costs being out of date due to increased material / labour costs.

**The Board noted the report and approved the 2022/23 NCG budget and ESFA financial plan.**

### **2.1.1. Finance Report**

*Covered under item 2.1.*

**The Board noted the report and approved the refinancing of the £3m loan due for repayment in September, with LB and LS authorised to sign the necessary documentation to enter into the loan agreement.**

### **2.1.2. Approval of Subcontracting Plan 22/23 (including approval of Supply Chain Fees & Charges Policy)**

DB presented the report and noted that there was an ongoing reduction in subcontracting, and that no further subcontracting was being proposed for high-risk areas.

The Board **requested** for only ESFA relevant subcontracting to be included going forward.

**Action: DB / JA to cover only ESFA relevant subcontracting within the approval report going forward.**

**The Board approved the Subcontracting Plan for 22/23, noting the closeness to the limit of 25% and approved the Supply Chain Fees & Charges Policy.**

DB also noted that the Head of Contracts & Procurement had moved into the Legal, Governance and Assurance service area.

**The Board noted the update.**

## **3. Strategic Items**

### **3.1. CEG Report**

LB presented the report and highlighted the following:

- The success of the graduation ceremonies at Newcastle and Kidderminster.
- Uncertainties within the sector and the changing of the environment, including the White Paper, the ONS consultation, and the lifelong learning loan entitlement. LB confirmed that NCG were in conversation with relevant organisations, such as, the LEP, CBI and local authorities to ensure they can adapt to change.

- The focus on recruiting apprentices to assist with recruitment challenges and to utilise the substantial apprenticeship levy pot.
- Conversations with the ESFA were drawing to a conclusion regarding MAS records.
- Positive news regarding the outcome of the OfS audit and the NSSS results.
- The success of the SDF bid to support green transport.
- The continued focus on staff development through the Leadership Hub.
- The continued focus on marketing activity to achieve target learner numbers for September.

*Section of this item covered under a confidential minute.*

**The Board noted the report.**

### **3.1.1. LSEC Heads of Terms**

DB presented the document and highlighted that the document had been provided at a draft stage, however he was seeking approval of the document as presented with flexibility to make further necessary amends. DB reiterated that the document did not provide for any commitment at this stage, and instead provided the framework for due diligence to take place. DB confirmed that no transfers were expected to take place prior to August 2023.

**The Board approved the Heads of Terms with further approval of amends to be made and the final version to be shared once agreed.**

## **3.2. Quality and Performance Report**

SW presented the report and made specific reference to the Curriculum & Quality Policy which had been included for information.

SW also made reference to HE performance, noting that although not covered within the report, 7 of the Teaching Excellence Framework (TEF) indicators were in the gold category and this showed a huge improvement.

**The Board noted the report.**

### **3.2.1. Apprenticeships Quality Improvement Plan**

SW presented the report and confirmed that the plan had been considered by the Audit & Risk Committee.

**The Board approved the Apprenticeships Quality Improvement Plan.**

### 3.3. Approval of Operational Plan

CP presented the Operational Plan and noted that the individual college plans had now been included to create the final document. CP noted that the DfE had asked for permission for the plan to be used as an exemplar.

**The Board approved the Operational Plan and noted the update.**

### 3.4. Student Engagement Project

*SMc joined the meeting.*

SMc presented the report and provided a presentation covering the following:

- In year activity across NCG, including college specific initiatives.
- Shared strengths across the Group.
- Feedback and closing the loop initiatives. SMc noted that the project was looking to formalise and standardise methods across the Group.
- Learning from the project to date.
- Recommendations and next steps.

The Board **queried** engagement within the project – SMc confirmed that the response had been mixed. A student conference had been planned however this had been unsuccessful due to few responses.

The Student Governors noted their interest in the project and provided their feedback regarding the lack of communication / networking opportunities between the NCG colleges, and further clarification being needed around the role of a Student Representative and the importance of student voice.

**Action: SMc to link in with the Student Governors regarding the project.**

In relation to student governors, it was suggested to gather testimonials of previous / current student governors to advertise the positions to others and for student governors to be linked up across the Group.

**The Board noted the report and requested a project update on an annual basis.**

**Action: Governance Team to add to agenda for June 2022.**

*SMc left the meeting*

## 4. Items for Approval / Noting

### 4.1. Relationships Report

LB presented the report and noted the evidence within the College level reports of the linkage and bespoke approach to their specific local areas.

The Board **sought assurance** that relevant introductions would be made relating to the relationships in place for those leaving NCG. LB confirmed that work was already underway in this respect.



**The Board noted the report and agreed that the information provided was useful.**

#### **4.2. Approval of HE Fees Policy 23/24**

DB presented the HE Fees Policy for 23/24, noting that this had been endorsed by the HE Governance Committee in June 2022, and was based on the fee levels agreed by the Board at the last meeting.

The Chair of HE Governance confirmed that it was pleasing to see more standardisation across the NCG Colleges.

**The Board approved the HE Fees Policy for 23/24.**

**Action: NT to process policy approvals.**

#### **4.3. Corporation Matters**

DB presented the report and made specific reference to the governor appointment recommendations presented for approval.

*Section of this item covered under a confidential minute.*

**The Board noted the report and approved the following appointments:**

- Appointment of Jonathan Eaton (Newcastle College Board Member) to the HE Governance Committee as a co-opted College Board member.
- Appointment of Stephen Joel as the Staff Governor at Newcastle Sixth Form College for a period of 2 years.
- Extension of appointment of Chris Roberts as an Independent Governor of the Corporation Board to the end of September 2022.
- Extension of appointment of Caroline MacDonald as an Independent Governor of the Corporation Board to the end of July 2023.
- Appointment of Lisa Gregg as the Chair of Kidderminster College Board for a period of 4 years.
- Appointment of Gary Cumiskey as an Independent Governor of Newcastle College Board for a period of 4 years.

**Action: Governance Team to process appointment approval.**

##### **4.3.1. Committee and College Board Self Assessment Summary 21/22**

DB confirmed that a self-assessment exercise had been implemented across the Corporation Board, Committees and College Boards to review performance across 21-22. A standard template was used, including a compliance check of the Board Terms of Reference. NT completed a suggested Clerk response which was then discussed with the relevant Board Chair (where possible) with additional input added. The reports were then provided to the Boards for approval.

The report included a summary of the points to be taken forward.

**The Board noted the report.**

#### **4.4. Approval of Internal Audit Plan 22/23**

DB presented the Internal Audit Plan 22/23, noting that this had been endorsed by the Audit & Risk Committee in July 2022.

DB also provided an update on staffing within the Internal Audit Team, noting the previous challenges with recruitment.

The Chair of the Audit & Risk Committee confirmed that the Committee were happy with the plan.

The Board **requested** for the element of Healthy Eating to be covered within the Catering review.

**Action: DB to add element of Healthy Eating to catering internal audit.**

LB noted that some of the suggested Executive Leads would change following changes in the Executive Team.

**The Board approved the Internal Audit Plan for 22-23, noting that there was a good range of topics to be covered.**

#### **4.5. Approval of Risk Management Policy**

DB presented the refreshed policy, noting that this had been endorsed by the Audit & Risk Committee in July 2022.

**The Board approved the Risk Management Policy.**

#### **4.6. Approval of Data Protection Policy**

DB presented the refreshed Data Protection policy, noting that this had been reviewed by Executive Board in June 2022.

**The Board approved the Data Protection Policy.**

#### **4.7. Approval of Code of Conduct for Suppliers and Contractors**

LS presented the refreshed Code of Conduct for Suppliers and Contractors, noting that this has been reviewed by Executive Board in June 2022.

**The Board approved the Code of Conduct for Suppliers and Contractors.**

**Action: NT to process policy approvals.**

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

#### **5.1. Minutes of the Previous Meeting – 14<sup>th</sup> June 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.**

### **5.1.1. Confidential Minutes of the Previous Meeting – 14<sup>th</sup> June 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.**

## **5.2. Matters Arising**

DB presented the Corporation Board self-assessment (as per item 4.3.1) for approval.

**The Board approved the Self-Assessment for 21-22.**

### **5.2.1. CP Directorships**

DB confirmed that CP was a director of 3 NCG organisations (Rathbone Training, Intraining and NCG Professional Services Limited). DB confirmed that CP would be removed as a director following his end date at NCG, and that a replacement would be sought for NCG Professional Services Limited but confirmed that a replacement Director was not needed for Rathbone Training and Intraining due to being in liquidation.

**The Board noted the update and confirmed delegated authority to LB for the appointment of a replacement director for NCG Professional Services Limited.**

**Action: NT to remove CP as a Director from NCG Professional Services Limited on Companies House.**

**Action: LB to appoint a Director to NCG Professional Services Limited to replace CP.**

## **5.3. 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.**

## **5.4. Committee Minutes**

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

- Audit & Risk Committee - 3rd May 2022 (Main and Confidential)
- HE Governance Committee - 16th May 2022

**The Board noted the Committee minutes.**

## 5.5. College Board Minutes

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

- West Lancashire College Board Minutes - 23rd March 2022
- Carlisle College Board Minutes - 17th May 2022
- Newcastle College Board Minutes - 23rd May 2022
- Lewisham College Board Minutes - 24th May 2022 (Main and Confidential)
- Southwark College Board Minutes - 25th May 2022
- NSF College Board Minutes - 26th May 2022

**The Board noted the College Board minutes.**

## 5.6. Information Flow

DB presented the Newcastle College Board information flow with the suggested Board response.

**The Board approved the suggested response and requested for an additional comment to be added regarding the improved response rate of the Staff Engagement Survey at both NCG and Newcastle College level (including response rate figures).**

**Action: NT to update and send to the next meeting of Newcastle College Board.**

*CMa left the meeting*

## 6. Evaluation of Meeting and Information Sharing

The Board **discussed** the meeting and specifically noted the positive discussion around the Student Engagement project, and the ideas regarding creating a network of students across the NCG colleges.

The Chair noted that during the Governor Dinner on 18th July 2022, he had sought feedback from Board Members regarding papers and meetings. The feedback was that papers were still too long, although had improved over the past year. Board Members also suggested that meetings were too frequent. The Chair noted that he and DB had been working on a proposal to reduce the number of meetings, and that this would be considered further.

**Action: PL / DB to consider reduction in Corporation Board meetings.**

## 7. Any Other Business

### Executive Principals

#### Executive Principal (Curriculum)

LB confirmed that TL had transferred to the role of Executive Principal (Curriculum) following the repurpose of the Executive Principal roles, as discussed by the Appraisal & Remuneration Committee.

**The Board noted the update.**

Approval of Executive Principal (People & Culture)

LB confirmed that Gerard Garvey was the only applicant for the Executive Principal (People & Culture) post, and confirmed that an interview took place with LB, TL and CMA. The appointment of Gerard was then submitted through the Appraisal & Remuneration Committee for their prior recommendation ahead of seeking Corporation Board approval.

**The Board approved the appointment of Gerard Garvey as the Executive Principal (People & Culture).**

LB confirmed that the Executive Principal roles would continue with line management of the Principals across the Group.

**Thanks and Best Wishes to Leavers**

LB noted that CP, GG, and NT were due to leave NCG over the coming months, and thanked them for their achievements, contributions, and efforts.

**The Board noted their thanks for CP's, GG's and NT's work whilst at NCG and provided their best wishes for the future.**

**8. Time and Date of Next Meeting – 13<sup>th</sup> September at 3pm**

Meeting to take place in person at Rye Hill House.

Approved: **13<sup>th</sup> September 2022**