

Minutes of Meeting



CORPORATION BOARD				
Details	Tuesday 7 March at 3pm in Rye Hill House and via Teams			
Corporation Board Members			Attendance	
Full Name	Position	Initials	Attended	Apologies
Peter Lauener	Chair of Corporation	PL	Leave of Absence	
John Widdowson	Vice Chair of Corporation	JW	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	
Shirley Atkinson	Independent Governor	SA	X	
Matthew Otubu	Independent Governor	MO	X	
Liz Bromley	CEO – Ex-Officio Governor	LB	X	
Kevin Stach	Staff Governor	KS		X
Diana Wiedemann	Student Governor	DW		X
Conor Allen	Student Governor	CA	X	
Clerk				
David Balme	Chief Compliance & Operations Officer and Secretary to the Board	DB	X	
In Attendance				
Lisa Sproats	Chief Finance Officer	LS	X	
Steven Wallis	Executive Director of Quality	SW		
Tony Lewin	Executive Principal – Curriculum	TL		X
Gerard Garvey	Executive Principal – People and Culture	GG	X	
Scott Mulholland	Chief Information, Data & Estates Officer	SM	X^	

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

Item	Agenda Item
1. Chair Opening Remarks / Apologies for Absence / Declarations of Interest / Board Matters	
1.1	Opening and Welcome
	<p>The Vice Chair welcomed all those present to the meeting. The Chair advised that Independent Governor JS would be joining the meeting via Teams.</p> <p>The Board noted that this was the final meeting for Student Governors Diana Wiedemann and Conor Allen and thanked them for their contributions to the Board and representing the student voice. The Secretary to the Board advised that preparations had begun for the recruitment of the next cohort of student governors.</p> <p>Finally, the Vice Chair welcomed Mathew Otubu back to the Board following a leave of absence.</p>
1.2	Apologies for Absence
	<p>Apologies were received from Independent Governor Kevin Stach, Student Governor and Diana Wiedemann.</p> <p>The Board noted that the meeting was quorate.</p>
1.3	Declarations of Interest
	<p>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.</p>
1.4	Update from the Chair on Board Matters
	<p>The Vice Chair confirmed that he had nothing further to add to the items that were included as substantive agenda items.</p>
1.5	Governor Training and External Activity (including Link Governor and Committee Chair Feedback)
	<p>No additional activity since the last meeting was noted. The Vice Chair reminded colleagues to complete the feedback form and return to the Governance team for recording.</p>

2. Strategic Items	
2.1	Chief Executive Report
	<p>The Board received the report from the Chief Executive Officer (CEO) and noted the key points as follows:</p> <ul style="list-style-type: none"> • Office for National Statistics (ONS) Reclassification of FE Colleges. <ul style="list-style-type: none"> ○ The CEO reported that she has been in contact with colleagues from across the sector to discuss the potential repercussions of reclassification. There is some concern that the new regime will lead to greater scrutiny and less autonomy for the FE sector.

- The Board noted that reclassification has been in place in Scotland since 2014 and as such, the Scottish model may be used as the blueprint for the rollout of reclassification in English FE colleges.
- The Vice Chair noted that the Executive team are currently planning for a number of scenarios and are cognisant of the Group's ability and desire to continue to invest in educational programs and facilities which are appropriate for the needs of the local population.
- The Chief Executive Group will maintain a watchful eye on the repercussions of reclassification and will continue to update the Board as relevant.
- Lifelong Loan Entitlement (LLE)
 - The CEO has been invited to appear before a Parliamentary Select Committee on the LLE loan.
 - The Board noted that the loan will be available to anybody under the age of 60.
- Devolution
 - The CEO has participated in several platforms on the topic of devolution and is using the opportunity to discuss NCG's position as an anchor institution within the North East and beyond.
 - The Chief Executive will be attending the MIPIM Conference later in March 2023, with a view to growing NCG's reputation as an anchor institution and developing new international partnerships and alliances.
 - The leadership team continues to review the NCG employment offer and terms and conditions to position NCG as an employer of choice.
- IT assets
 - The upgrade of IT assets continues as it is critical for both student and staff experiences.
- Funding
 - EFSA have recognised the exceptional in-year growth of 16–19 year-olds and have awarded NCG an additional £4.5m in grant funding.

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

- The impact of reclassification on existing loan covenants – the CEO advised that contractual obligations are included in the scenario planning exercise. The Board noted that one of the unintended consequences of reclassification in Scotland has been the reluctance of colleges to sell unused land because of the income generated from the sale being subsumed nationally.
- The impact of reclassification on college governance and specifically the autonomy of the Board and governors – the Board agreed that there were potentially serious

	<p>consequences for Boards' ability to influence within their respective areas and generate funds to reinvest in local communities.</p> <ul style="list-style-type: none"> • The pace of change in relation to reclassification and wider consequences across the FE and Charity sectors – the Board noted that there was much still to be clarified but that lobbying opportunities could be availed of, where relevant. • The Board discussed the recently launched Industry and Regulators Committee Inquiry into the Office for Students and queried whether the Group should consider providing a written submission to the Inquiry. <p>Action: CB A01: The Vice Chair to contact associates engaged within the Scottish sector to source a view on their experiences re: reclassification. (Owner : Vice Chair)</p> <p>Action: CB A02: Consideration to be given to making a submission to the Industry and Regulators Committee inquiry into the Office for Students. (Owner : Chief Executive)</p> <ul style="list-style-type: none"> • The impact of reclassification on any potential land sale receipts – the CEO advised that a list of the assets, goods and services that will be required to implement the strategic plan is being developed and that any future Board approvals relating to the use of funds generated from a potential land sale will be explicit in this regard. • The NHS and Social Care volunteer bank – the CEO advised that this is primarily aimed at students on Health & Social Care courses, but that consideration needs to be given to students on other courses who are also interested in volunteering and giving back to the local community. The Board noted that the Principal of Newcastle College is liaising with Newcastle Hospitals NHS Foundation Trust with a view to rolling out before summer 2023. • Student Activity – the Board noted the exceptional levels of student activity contained within the report.
2.1.1	MAS Records Update
	This item was covered under a separate confidential minute.
2.2	Quality and Performance Report
	<p>The Board received the Quality and Performance Report from the Executive Director of Quality, and noted the key points as follows:</p> <ul style="list-style-type: none"> • A safeguarding session had recently been held in York which was attended by both the Executive Director of Quality and JS (the Safeguarding Lead Governor). The mental health agenda featured heavily in discussions and the Executive Director of Quality reported that the organisation has seen an increase in the number of safeguarding cases relating to mental health. A benchmarking exercise is underway to identify existing mental health support resources around the colleges. • Volume 3 of the Manchester Arena inquiry focusing on radicalisation and preventability had recently been published. The Executive Director of Quality reported that there are

many lessons for the education sector contained within the report. The Board noted that the Group is taking action to ensure all sites are as secure as possible with the mobile phone scan-in security barriers currently being rolled out on the Newcastle campus.

- The Board noted a lack of progress in relation to attendance management and the Executive Director reported that leadership teams and tutors have been dealing primarily with the symptoms rather than the causes. He reported that work is underway to identify and resolve the causes of poor attendance (such as variations in timetabling).

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

- Additional learning for the education sector from the Manchester Arena Inquiry – the Executive Director of Quality advised that many small pieces of information had been held by multiple organisations however they had failed to bring these together so that the full picture could be seen. The Board noted that the transfer of information from a secondary school into further education relies largely on local arrangements. The Inquiry recommendation is that this information transfer is more formalised however the argument against this is that the move to a new educational institution is often a fresh start for learners. The Board noted the scope of information provided within the report and the information around PREVENT and awareness of radicalisation.
- Designated Safeguarding Leads (DSLs) well-being – the Executive Director of Quality reported that peer supervision in terms of well-being and emotional support has been incorporated into the policy. The Board acknowledged the commitment of the DSLs.
- Attendance Management – the Board sought assurance that concrete steps were being put in place to address this. The Executive Director of Quality advised that there is a clear attendance policy in place and that compliance is being more closely monitored. Additional measures such as weekly attendance panels, late desks, attendance monitors, and senior leadership team discussion are also in place.
- The drop in attendance at Newcastle Sixth Form College (NSFC) – the Board noted that this was lower when compared to other Sixth form colleges. The Executive Director of Quality advised that there is no national standard for recording attendance, and it is therefore difficult to benchmark. He reported that all colleges across the group are experiencing the same issues around attendance and that some of it may be due in part to post-Covid behaviours and legacy issues. He agreed that it was less than ideal and advised that the College are taking steps to improve this (such as reviewing timetabling and issuing standards to tutors to enable them to manage attendance issues more effectively). He advised that further enhancements would be in place before the new academic year.
- Retention at Newcastle Sixth Form College – the Board noted that 84% retention was quite low and sought assurance that the NSFC Board were aware and were addressing the issue.

Action: CB A03: NSFC Board to seek assurance around the management of attendance and retention at the NSFC College. (Owner : NSFC Chair)

- Skills Competitions and Student Success stories – the Board noted the outcomes of student competition and student success stories which were pleasing to read. The Vice Chair highlighted the importance of Governors participating in learning walks so as not to lose sight of the inspirational work that is taking place across NCG.

Action: CB A04: Learning walks for Corporation Governors to be re-established. (Owner : Governance Team)

2.3 Finance Report

The Board received the Finance Report from the Chief Finance Officer (CFO) and noted the key points as follows:

- The 2021/22 Accounts were submitted in accordance with the required deadlines.
- Organisational financial health rating moved from 'Good' to 'Requires Improvement' due to an additional provision made and the associated impact on EBITDA. Financial health is expected to return to 'Good' this year.
- AEB recruitment is a significant challenge, particularly in ESFA-funded adult colleges.
- Staffing costs are roughly as expected but agency costs are significantly above forecast due to recruitment challenges.
- Cash was noted as favourable to forecast primarily due to the receipt of capital grants. The Board noted that an additional £3.4m T-level capital funding had recently been awarded.
- There is approximately £15m of capital spend in train which has been largely externally funded. Both the Estates and IT departments have significant capital projects in place.
- Work has commenced with the colleges on the longer-term business planning cycle, with a focus on keeping this as lean as possible.

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

- The impact of AEB challenges across the sector – the CFO reported that it appears that most colleges are struggling to deliver but that the different source of economic context is also a factor. Within NCG, the Board noted that Southwark College are performing well and there is therefore potential wider learning to be shared as a result. The Board requested a more detailed report on AEB to come to the next meeting.

Action: CB A05: A detailed report on AEB challenges incorporating any learning from the wider Group to be presented to the next meeting. (Owner : Executive Principal – Curriculum).

- Age debt – the Board noted that this appeared to be high, however the CFO advised that this was due to the way it is reported and that it is under control.
- Depreciation variance in Southwark College – the CFO advised that this was because of an off-set with Lewisham College and that a central recharge is in place. She offered to circulate a follow-up briefing note on this for interested Governors.

Action: CB A06: CFO to share a follow-up briefing note on the depreciation variance at Southwark College to the Board. (Owner : CFO)

The CFO reminded the Board that a contract for the Kidderminster Construction Academy had previously been awarded to Mobius. The Board noted that the successful tender had been just under the £1m approval threshold but that due to delays between the contract award and contract signature, the price had increased slightly and was now over the £1m approval threshold. The CFO advised that there was no issue with the revised pricing but that because the cost was now over the £1m threshold, Board approval was required to proceed with the contract.

Decision: CB D01: The Board approved the cost variance to the Kidderminster Construction Academy (CASC) contract with Mobius.

2.4

National Skills Update

The Board received the report on the National Skills Update and noted the following key points:

- The report provided a summary of the national picture regarding the skills curriculum and focused on Local Skills Improvement Plans (LSIPs), the phasing out of BTECs and the introduction of T-Levels.
- The Executive Director of Quality reported of some concerns in the sector around the volume and pace of change as well as the move away from BTECs and towards a binary choice between academia, the vocational route or an apprenticeship.
- The Board noted the risk for NCG around the smaller applied qualifications as the new approach would exclude a large proportion of students who are not ready or who don't have the right entry level qualifications for either A-Levels or T-Levels.
- Regarding LSIPs and Accountability Statements, the Executive Principal advised that the colleges were working with local organisations and accountability statements were in the process of being drafted.

	<p>The Board, having noted the key points above and the contents of the report, queried the following:</p> <ul style="list-style-type: none"> • T-Levels – The Board agreed that they may benefit from a more focused look at T-Levels as these will have a significant impact on a large cohort of NCG students. <p>Action: CB A07: the Executive Director of Quality to give a presentation to the Board on T levels at the next meeting. (Owner : Executive Director of Quality)</p> <ul style="list-style-type: none"> • The Board noted a recent publication which detailed the impact of T-Levels on employers and particularly smaller employers who may not have the capacity to supervise students on work experience placements.
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3. Items for Approval / Noting	
3.1	HE Annual Review
	<p>The Board received the Higher Education Annual Review and noted that the report summarised the provision of HE at four colleges across NCG throughout the 2021/22 academic year and had been endorsed through the HE Academic Board and HE Governance Committee.</p> <p>The Board noted the contents of the report and discussed the following:</p> <ul style="list-style-type: none"> • Lifelong Loan Entitlement (LLE) – the CEO advised that this would apply to learners up to Level 6 (i.e. not Masters level). The Executive Director of Quality further noted that it will be mainly non-university learners or graduate degree holders wishing to specialise in sub-degree level qualifications who will receive these loans and that there are potential opportunities for NCG. <p>Action: CB A08: Deputy Principal and Executive Lead for Higher Education to explore the opportunities for NCG presented by the LLE through the HE Governance Committee and report back to the Board upon completion (Owners : Deputy Principal and Executive Lead for Higher Education).</p> <p>Decision: CB D02: The Board approved the 2021/22 HE Annual Review.</p>
3.2	Gender Pay Gap Report
	<p>The Board received the 2021/22 Gender Pay Gap Report from the Executive Principal (People and Culture) and noted the key points as follows:</p>

- As a large employer, NCG are required to publish details of the Gender Pay Gap on an annual basis.
- The Gender Pay Gap statement must be published on the Corporation's website and evidence of annual compliance must be submitted to government.
- Within the data:
 - More females are employed within all quartiles than males.
 - There are more females than males in administrative and management roles.
- The Executive Principal reported that the implementation of a role profiling system across organisation had not yet taken place. He advised that due to the scale and enormity of the program, this would likely have to be outsourced to an external provider to complete.
- The Gender Pay Gap aligns to the forthcoming People Plan.
- The Board noted that a staff survey will shortly be undertaken and that the results will feed into the work of the People Plan that will be launched ahead of the next academic year.

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

- The use of the exit interview to identify reasons for leaving among particular staff cohorts – the Executive Principal advised that he could add a question around feelings of belonging among staff cohorts which would assist in this regard.

Action: CB A09: Executive Principal to review the current exit interview process and consider adding a question around feelings of belonging. (Owner : Executive Principal People and Culture)

- Role Profiling - the Executive Principal reported that this will be longer-term piece of work which would commence with a desktop exercise to scope out a full review of terms and conditions. The Board noted that the challenges in recruiting and retaining staff due to terms & conditions and agreed that a more analytical approach to the issues and solutions would be beneficial.
- Market Based Supplements – the Executive Principal advised that the College is seeking to phase out Market Based Supplements and move towards a more transparent remuneration package.
- Pay Ratio – the Executive Principal advised that he is working on benchmarking pay against other large college groups (including those in London) which should give an idea of a reasonable staff-to-income ratio. The Board noted that some job roles are heavily gendered and that outsourcing of certain roles would have a significant impact on the current pay ratio.

	Decision: CB D03: The Board approved the 2021/22 Gender Pay Gap Report.
3.3	Refresh of Sub-Contracting Plan 2022/23 and Draft Plan Levels for 2023/24
	<p>The Board received the updated 2022/23 academic year sub-contracting plan, as well as the 2023/24 draft plan. The Board were informed that in 2022/23 values had dropped by £227k since the Q1 forecast.</p> <p>With regard to the 2023/24 financial year, the Board noted the following:</p> <ul style="list-style-type: none"> • Significant initial growth is proposed for the next financial year. • The largest growth is around HE provision which will take the Group from a subcontracted position of £1.2m to £7.2m. • Year-on-year growth is forecast to move from £4.9m in 2022/23 to £11.7m in 2023/24. <p>Decision: CB D04: The Board approved the updated planned levels of subcontracting as at the Q2 forecast for 2022/23.</p> <p>Decision: CB D05: The Board approved in principle the proposed planned levels of subcontracting for 2023/24 and the submission of the necessary business cases to the ESFA.</p>
3.4	Equality, Diversity, Inclusion and Belonging Annual Report 2021/22
	<p>The Board received the 2021/22 Equality, Diversity, Inclusion and Belonging (EDIB) Annual Report from the Executive Director of Quality and noted that the report forms part of NCG's public sector equality duty. The Executive Director of Quality advised that the report sets out the organisational intent for EDIB and the deliverables underpinning those aims. The Board noted that the report had been reviewed by the EDIB Link Governor prior to its submission to the Board.</p> <p>The Board thanked the authors for the candour of the report, in particular identifying shortcomings around learners from a Black Caribbean ethnic backgrounds.</p> <p>Decision: CB D06: The Board approved the 2021/22 Equality, Diversity, Inclusion and Belonging Annual Report.</p>
3.5	NCG Further Education Fees Policy 2023/24
	<p>The Board received the NCG Further Education Fees Policy from the CFO who confirmed that the policy had been reviewed and that no changes had been made.</p> <p>Decision: CB D07: The Board approved the 2023/24 Further Education Fees Policy.</p>
3.6	Corporation Matters Report
	<p>The Board received the Corporation Matters report from the Secretary to the Board and were requested to approve the following Governor appointments:</p> <ol style="list-style-type: none"> 1. Mary Ougundairo as Student Governor of Southwark College Board for a period of 1 year.

	<p>2. Jonathan Valentine as Student Governor of Newcastle Sixth Form College Board for a period of 1 year.</p> <p>3. Manar Amir as Student Governor of Newcastle Sixth Form College Board for a period of 1 year.</p> <p>4. Ryan Campbell as Student Governor of Kidderminster College Board for a period of 1 year.</p> <p>5. Matthew Scott-Davies as Student Governor for HE Governance for a period of 1 year.</p> <p>6. Lindsay Gaskill as Staff Governor of Newcastle College Board for a period of 2 years.</p> <p>7. Kate Winder as an Independent Governor of NSCF Board for a period of 4 years.</p> <p>8. Dan Blackledge as an Independent Governor of West Lancashire College Board for a period of 4 years.</p> <p>Decision: CB D08: The Board approved the appointment of those Governors listed 1-8 above.</p>
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4. Minutes of Previous Meetings / Matters Arising / Register of Actions	
4.1	Minutes of the Previous Meetings
4.1.0	Corporation Minutes 13th December 2022
	<p>Decision: CB D09: The Board reviewed and approved the minutes of the Corporation Board meeting held on 13th December 2022.</p>
4.1.1	Corporation Minutes Confidential 13th December 2022
	<p>Decision: CB D10: The Board reviewed and approved the confidential minutes of the Corporation Board meeting held on 13th December 2022.</p> <p>The Board returned to the topic of reclassification and the impact of the new arrangement on the confidentiality of Board meetings. The Chief Executive advised that no further guidance has been published by the DfE on this matter and as a result it is expected that confidential meeting minutes will remain so until there is a change in legislation which mandates otherwise.</p> <p>The Secretary to the Board agreed to confirm this via legal advice.</p> <p>Action: CB A10: Secretary to the Board to seek legal advice regarding the status of confidential Board minutes under reclassification. (Owner : Secretary to the Board)</p>
4.1.2	Corporation Minutes 26th January 2023
	<p>Decision: CB D11: The Board reviewed and approved the minutes of the Corporation Board meeting held on 26th January 2023.</p>

4.1.3	Corporation Minutes 23 February 2023
	Decision: CB D12: The Board reviewed and approved the minutes of the Corporation Board meeting held on 23 rd February 2023.
4.2	College Board Minutes
	<p>The Board received for information the following College Board Minutes:</p> <ul style="list-style-type: none"> • Kidderminster College Board Minutes – 17th November 2022. • Carlisle College Board Minutes – 15th November 2022. • Newcastle College Board Minutes – 21st November 2022. • Lewisham College Board Minutes – 4th October 2022 & 22nd November 2022. • Southwark College Board Minutes – 5th October 2022, 23rd November 2022 & 7th December 2022. • NSF College Board Minutes – 6th October 2022 & 24th November 2022. • West Lancashire College Board Minutes – 28th September 2022.
4.3	Committee Minutes
	<p>The Board received for information the following sub-committee minutes, noting that these had been reviewed and approved by the respective committees:</p> <ul style="list-style-type: none"> • Audit Committee – 6th December 2022, 20th September 2022, 23rd November 2022 & 25th January 2023. • Estates Committee – 21st July 2022, 8th November 2022 & 10th February 2023. • HE Governance – 11th November 2022. • Search Committee – 20th January 2023.
4.4	Register of Actions
	<p>The Board received the register of actions from the Secretary to the Board. The Board sought assurance that all outstanding actions were being progressed. The Secretary to the Board advised that the Register of Actions would be enhanced to include a record of decisions which would provide greater clarity and assurance around Board actions and approvals.</p>

5. Closing Items

5.1	Meeting Evaluation
	<p>Several Governors advised of technical issues in accessing the meeting pack via Teams. The Secretary to the Board advised that work is ongoing with the IT department to address this and other technical issues which have been identified. He advised that assurances have been provided that the issues will be resolved prior to the next Corporation Board</p>

	meeting and asked that Governors contact him should they continue to have challenges in accessing the meeting papers.
5.2	Any Other Business
5.2.1	Audit Committee and Internal Audit Annual Reports
	This item was deferred until the next meeting.
5.2.2	Approval of Independent Governor for Newcastle College
	This item was deferred until the next meeting. Note – Post-meeting agreement re: this appointment was received from the Vice Chair of Corporation.
6.	Date and Time of Next Meeting
	The next meeting of the Corporation Board will take place via Teams on Tuesday 9 th May 2023 at 3pm.