

## NCG – Corporation Meeting

Main Minutes of Meeting held on Tuesday 14<sup>th</sup> June 2022 – 3pm to 5.05pm

### Virtual Meeting

^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	CMacD	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	LSp	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		
Jon Ridley	Deputy Principal (HE)	JR	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 JM (full meeting) and JW (start of the meeting).

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

Apologies had also been noted from TL.

The Chair noted the following:

- JR, Deputy Principal (HE) would be in attendance for item 4.1 and 5.3.1.

The Board were asked if they had any interests to declare in relation to the planned agenda items, however there were no additional interests to report.

**The Board noted the updates.**

### **1.1. Update from the Chair of Relevant Matters – Verbal**

The Chair noted that the NCG Governors Conference was due to take place over 3 sessions between 15<sup>th</sup> and 16<sup>th</sup> June. The Chair encouraged all board members to attend where possible.

**The Board noted the update.**

### **1.2. Governor Training / External Activity**

The Board were asked if they had any relevant activity to report and the following was noted:

- PL had participated in discussions around the ONS consultation and attended a recent AoC session for Chairs. Discussions included the pay position across the sector.
- AC had attended the AoC Audit Committee Chairs Network, where discussions were focussed around the budget process and the implications of the ONS consultation.
- CMc had attended the NCG Governor Training sessions on T-Level and noted there were some interesting points highlighted, such as the potential of employers preferring apprenticeship routes (as opposed to T levels) to allow them to access the apprenticeship levy.

**The Board noted the updates.**

#### **1.2.1. Sharing of Link Governor Feedback**

There were no reports provided.

**Action: NT to circulate a reminder of Governor Link Roles and relevant staff leads.**

## 2. Thematic Discussion and Feedback Session

### 2.1. Brilliant at the Basics 2

SM presented the report and highlighted the following:

- Following the success of the first Brilliant at the Basics project, the team were now moving on to the second phase which would be managed using the Managing Successful Programmes (MSP) framework to ensure discipline and direction. The Programme Board would monitor delivery and assure the realisation of benefits.
- The programme would adopt the Lean and Six Sigma methodologies to identify and implement improvements in the form of quick wins and projects. SM noted that the focus of 'lean' was around reducing waste and 'six sigma' was focussed around developing effective processes.
- The scope of the second phase would be broadened to include curriculum and professional services, operating in a single organisational system.
- The projects were to be risk averse in the sense of not aggravating existing concerns regarding workload.
- There would be 8 projects progressed over the next year, involving Principals and senior managers within the scope. The projects were to focus on the following:
  - Laptops roll out.
  - Infrastructure masterplan.
  - HR process and ITrent.
  - Learner recruitment.
  - Apprenticeships.
  - Becoming a Smart Campus.
  - Business planning.
  - Power BI reporting.

#### **The Board queried the following:**

- Clarity of potential benefits – SM noted that each project brief would go into detail regarding the specific benefits; some early information on benefits had been included within the report. SM agreed that there was further work to do to quantify the benefits.
- Cost benefit analysis – SM confirmed that projects wouldn't be signed off until there was confidence in the proposed project return.
- Updates to Corporation – SM noted that updates would be brought to the Board as appropriate and noted that the Infrastructure Masterplan would be brought in September 2022.

**Action: NT to add the Infrastructure Masterplan to the September 2022 agenda.**

**The Board noted the report.**

### 3. Strategic Items

#### 3.1. CEG Report

LB presented the report and highlighted the following:

- LB and JR (Deputy Principal HE) had recently had the opportunity to meet with John Blake, the Director of the Office for Fair Access.
- NCG had chosen not to sign the letter of consent regarding the ONS consultation.
- There was approximately £600k unused funds in the NCG apprenticeship levy pot, and therefore the future intention was that any future vacancies would be open to apprentices where appropriate so that people could be trained to national standards and the unused levy could be minimised. LB noted that this would allow NCG to create its own community of professional practice, and this would assist with the staff: income ratio.
- Following discussions with the Lewisham College Board regarding the possible transfer of Lewisham College, FE Week were notified and ran a story resulting in NCG and LSEC making a joint statement re the due diligence process that had been commenced.

**The Board noted the update and specifically noted their disappointment in the breach of confidentiality on discussions about Lewisham College.**

**The Board queried the following:**

- High turnover of staff – LB noted this and suggested the following reasons had contributed to the higher-than-normal rate:
  - There had been several restructures undertaken across NCG.
  - Some staff were able to achieve higher pay levels in industry and following Covid eg plumbers, electricians, etc who were in high demand.
  - NCG were starting to feel the effect of the ‘great resignation’ following Covid.
  - The AoC figures had been taken during lockdown so were not like for like.

LB confirmed that she was not aware of any widespread concern or discontent within NCG.

**The Board noted the report.**

##### 3.1.1. Approval of OfS Bid

DB noted that NCG were looking to submit an OfS Bid, and highlighted the following:

- The OfS had released its capital funding round for the years 2022-23 to 2024-25. Each higher education institution would

receive a formula allocation of capital funds per year (capped at £50k) and had been invited to apply in a competitive process for up to £6m of the grant, from the total competitive fund available of £400m.

- The funding would allow joint investments across NCG colleges where there was curriculum alignment and strategic fit.

**The Board endorsed the bid and approved delegated authority to PL and LB for final sign off.**

*LB left the meeting.*

### 3.2. Finance Report

LS presented the report noting that endorsement had been sought from the Audit & Risk Committee regarding refinancing a loan (term ending September 2022) on a fixed rate basis. However, since this time (and following the ONS consultation) this decision now needed further thought. LS noted that conversations were ongoing with the bank and that she was intending to hold off from making a decision until further information was available (recognising a decision was not required until the loan's term end in September 2022).

The Board **discussed** the refinancing and the different options available. The Board **agreed** that the impact of the ONS decision was unknown, and that further information would be required prior to a decision being made.

LS confirmed she would provide further information at the July meeting.

**Action: LS to provide the Board with further information regard to the loan refinancing at the July 2022 meeting.**

LS noted that an initial 22/23 capital budget had been presented for approval, confirming that a longer-term strategic capital plan would be brought at the start of the new academic year. LS noted that these initial priorities were what was required to deliver the curriculum within the next academic year.

**The Board noted the report and approved the initial 22/23 capital budget.**

#### 3.2.1. Budget Progress and Initial Drafting

LS provided a presentation covering the following:

- A summary of the Q3 forecast, noting that it was showing the following:
  - £6.5m EBITDA (£0.2m lower than budget).
  - Adult Education was £3.4m lower than budget.
  - Utility costs were £400k higher than then Q2 forecast, at £1.4m higher than budget.
  - A 2% pay award has been agreed with the Unions and was due to paid to staff in July 2022. LS confirmed that this would be awarded to staff under £75k only.

- There was a plan to pay some creditors earlier due to the favourable cash position.
  - Financial Health was showing as Good.
- 2022/23 Budget, highlighting the following:
  - Expectations of the budget setting process.
  - An executive summary of the key points and budget assumptions, including the 16-19 funding rate increase.
  - The arrival at a figure of £5.8m EBITDA, including a 4% pay provision, an additional £2m in utility costs, and the full year impact of the National Insurance increase.
    - LS noted that there was work ongoing to try to increase the EBITDA figure to £6m.
  - Historical performance, noting that there was little movement in the pay: income ratio over the previous years which re-emphasised the need to utilise staff effectively, and also noting that each 1% pay increase resulted in a cost of c£900k.

LS confirmed that the budget setting process had been challenging, and this was seen as a starting point, with initiatives in place to drive further improvement.

**The Board queried the following:**

- Staff utilisation – LS confirmed that work had been carried out regarding effective curriculum planning. LS noted that if recruitment wasn't as high as expected, further action would need to be taken. LS confirmed that the next focus was on 'back office' functions to consider vacant posts and efficiencies.
- Lack of income from AEB Delivery – The Board **noted their concern and sought further information** as to why the delivery of AEB was proving difficult. The Chair **requested** for this to be discussed at Executive Board and reported back to the Board.
 

**Action: NT to add AEB Delivery to September 2022 agenda.**
- Provision for increased energy costs – LS confirmed that there was £2m in the budget to provide for increased energy costs within the next year, and conversations were taking place regarding rates.
  - The Board **suggested** that £2m provision may not be sufficient, however LS noted confidence of coverage.
- 'Spend to save' options relating to energy – LS confirmed that a number of interventions were being explored in relation to the reduction of utility usage and agreed some methods would require spend to save. SM noted that there were some quick wins available, such as turning thermostats down, use of LED lighting, switching off lighting in buildings where not required etc. SM confirmed that work continued to reduce costs, as well as carbon

emissions and that further information would be available within the Infrastructure Masterplan.

**The Board noted the report.**

### **3.3. Quality and Performance Report**

SW presented the report and highlighted the following:

- The Lines of Enquiry had been updated, with the recommendation to close the point in relation to the NCG Education Recovery Plan, noting that the deliverables had been completed, or are part of routine working / medium to longer term initiatives.
  - **The Board agreed to close this Line of Enquiry.**
- NCG had worked hard to utilise the Tuition Catch Up Fund and noted spend would be more front loaded for the next academic year.
- The Apprenticeships Action Plan was almost complete, and due to go to the Audit & Risk Committee for scrutiny ahead of approval at the July 2022 Corporation Board meeting.
- Results from the learner destination survey showed a 2%-point improvement on the previous year.
- Learners had recently completed the exit survey and the team were awaiting the results.

SW also provided an update in relation to Safeguarding, noting that DSLs had attended specialist training in York focussing on supervision arrangements. SW confirmed that the DSLs appreciated the training, noting that there had been a number of serious cases throughout the year (as reported), including allegations of peer-on-peer sexual abuse (which included police involvement). SW noted the benefits of the Safeguarding Council, allowing for sharing of potential risks and relevant information, especially for dealing with such complex referrals.

The Safeguarding Link Governor noted her confidence in the cases being dealt with appropriately and the positive work of the Safeguarding Council.

The Board **queried** 16-18 attendance. SW noted that attendance had slipped to an overall figure of 87-88%. SW suggested that there were weaknesses in attendance relating to English & Maths and foundation learning aims due to lack of engagement. SW confirmed that more traction was needed, however noted that attendance was better in the majority of aims. SW suggested the different challenges faced following a move from online to face to face learning, noting that some learners' attitudes had changed and therefore restorative practices were needed. SW confirmed that attendance figures were continually monitored, and that the levels were around the sector national average.

**The Board noted the report.**

*LB joined the meeting.*

### 3.4. DfE Accountability Agreement Pilot Update

CP presented the report and highlighted the following:

- That the document had been presented to the last meeting with example information relating to NCG and Newcastle College being included. The document was now represented, and this time included all NCG colleges.
- Various feedback had been collected from Corporation and College Board members which had been submitted along with the plan and any internal feedback to the DfE. CP noted that NCG expected to receive a response to the feedback submitted.
  - CP confirmed that governor feedback had been positive and thanked the local boards for scrutinising the plans locally prior to being submitted for approval.

The Board **queried** the next steps. CP noted that there was a commitment to introduce the cycle from 22/23, with the framework expected in September / October. The national skills statement would then be expected in January 2023, allowing c4 months to produce the plan for 23/24.

**The Board noted the report.**

### 3.5. Colleague Engagement Survey Results and Action Plan

CP presented the report and highlighted the following:

- The report included the full report from Hive.
- The Engagement Strategy and associated action plan focussed on the following 6 key areas:
  - IT / Classroom Technology.
  - Workload.
  - Pay & Recognition.
  - Mental Health & Wellbeing.
  - Equality & Diversity.
  - Communication.
- Local champions had been implemented at each college to assist with the local action planning and to look at local engagement levels.

**The Board queried the following:**

- Concerns at NSFC – CP noted that the data suggested that NSFC staff would move to another job, and that some of the responses were disappointing which were very unexpected. CP noted that the data was being explored further.
- Low response at Newcastle College – CP noted that Newcastle College have some of the best and worst performing departments within the College in terms of the survey, however scores were good across most areas.



LB suggested the implementation of an annual reward statement to remind staff of the benefits of working for NCG, aside from pay. LB noted that she would work with LS and the Director of People & Development to progress this.

**Action: LB to implement an annual reward statement, along with LS and JMc.**

**The Board approved the Engagement Strategy and associated high level action plan.**

#### **4. Items for Approval / Noting**

##### **4.1. Approval of NCG HE Fees 2023**

*Endorsed by the HE Governance Committee*

*JR joined the meeting.*

JR presented the report and highlighted the following:

- The approval of the 23/24 fees were being brought forward to allow appropriate time to advertise the provision in advance and to provide clarity of information for perspective students.
- The proposal related to ensuring a standardised approach to fees across the Group, with the rationale of recognition and ensuring parity of experience across the Group. In addition it contributed to ensuring a standard approach to student bursary and student experience expenditure across NCG.
- The Chair of HE Governance noted that the proposal was pleasing due to prior concerns of different fees being in place across the Group, and the potential of creating further competition between each college. It was also noted that the proposal allowed for more resource to support students.

**The Board approved the proposal of a standard fee of £9,250 for all full time HE students at all NCG colleges from September 2023, and a standard approach to student bursary and student experience expenditure.**

*JR left the meeting.*

##### **4.2. Corporation Matters**

DB presented the report and highlighted the following:

- Newly issued guidance from the ESFA noted the requirement to undertake an External Governance Review every 3 years. DB noted that the recent review carried out by StoneKing LLP had been before the time window now being envisaged and that a further review would be required in due course. DB noted that within the action plan following the review, it was agreed in any case to host a further review in 30-36 months' time, and this was in line with the new ESFA requirement cycle.

- The actions following the review were progressing, although had been impacted due to staffing resource issues.

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

- **Appointment of Lucy Paris May Liddament Hall to the Newcastle College Board, as the Student Governor, for a term of 1 year with dates in line with her Student Union Presidency term.**

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

#### **4.3. Approval of Insurance Tender**

LS presented the tender recommendation for approval.

**The Board approved the insurance tender lots as set out in the paper.**

#### **4.4. Approval of the Appointment of the Internal Auditors**

*Endorsed by the Audit & Risk Committee*

DB presented the report and highlighted that the appointment had gone through a tendering process with involvement from the Audit & Risk Committee.

The Chair of the Audit & Risk Committee noted that he had been impressed with the team at RSM and felt that they demonstrated the value they would be able to add.

**The Board approved the appointment of RSM as the specialist internal audit provider for an initial three-year period (working alongside the NCG Internal Audit team to deliver the annual internal audit plan).**

#### **4.5. Approval of Health, Safety & Wellbeing Policy**

SM presented the refreshed policy (included as three parts), noting that this had been reviewed by Executive Board in May 2022.

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

*JW joined the meeting.*

#### **4.6. Approval of Freedom of Information and Environmental Information Regulations Policy**

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

**The Board approved the Freedom of Information and Environmental Information Regulations Policy.**

#### **4.7. Approval of Code of Practice of Freedom of Speech (inc Ext Speakers)**

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

The Board **approved** the Code of Practice of Freedom of Speech (inc Ext Speakers).

#### **4.8. Approval of Information Policy**

DB presented the refreshed policy, noting that this had not been submitted to Executive Board prior however only included minimal amends which he was happy to recommend.

The Board **approved** the Information Policy.

#### **4.9. Approval of Whistleblowing / Disclosure Policy**

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

The Board **approved** the Whistleblowing / Disclosure Policy.

#### **4.10. Approval of Modern Slavery and Human Trafficking Statement 2021-22**

LS presented the refreshed policy, noting that this had been updated as part of the annual refresh.

The Board **approved** the Modern Slavery and Human Trafficking Statement 2021-22.

#### **4.11. Approval of Recruitment Policy**

LB presented the refreshed policy, noting that this had been reviewed by Executive Board in May 2022.

The Board **approved** the Recruitment Policy.

#### **4.12. Approval of Driving for Work Policy (New Policy)**

SM presented the policy, noting that this had been reviewed by Executive Board in May 2022.

The Board **approved** the Driving for Work Policy.

**Action: Governance Team to process policy approvals.**

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

#### **5.1. Minutes of the Previous Meeting – 10<sup>th</sup> May 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 – 10<sup>th</sup> May 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. 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.**

**The Board noted the update.**

### **5.3. Matters Arising**

#### **5.3.1. OfS Letter Regarding the Outcome of NCG's IDAP Application**

*Covered under a confidential minute.*

### **5.4. College Board Minutes**

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

- Carlisle - 22nd March 2022
- Kidderminster - 24th March 2022 (main and confidential)
- Newcastle - 28th March 2022
- Southwark - 29th March 2022
- Lewisham - 30th March 2022 (main and confidential)
- Newcastle Sixth Form - 31st March 2022

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

## **6. Evaluation of Meeting and Information Sharing**

*LB left the meeting.*

The Board discussed the reports presented and noted that there had been a good level of information provided with a summary of approvals required.

**The Board noted that they looked forward to receiving further information regarding the loans refinancing options and the ONS classification.**

## **7. Any Other Business**

*Covered under a confidential minute.*

## **8. Time and Date of Next Meeting – 18<sup>th</sup> and 19<sup>th</sup> July 2022**

The Chair noted the next meetings as follows:

- 18<sup>th</sup> July – Corporation Board Strategy Day
- 19<sup>th</sup> July – Corporation Board Meeting (earlier time of 9am).

**The Board noted the update.**

## **9. Deferred Items**

### **9.1. Information Flow**

*No information flows to present.*

### **9.2. Corporation Committee Minutes**

*No Committee minutes to present.*

**Approved: 19<sup>th</sup> July 2022**