

NCG Corporation

Part 1 - Minutes of Meeting held 16th October 2018

4428 Present

Peter Lauener	Chair of Corporation
John Cuthbert	
Peter Michell	
Liam Reilly	
Chris Roberts	
Caroline MacDonald	
Chris Payne	Interim CEO/Executive Director, Partnerships & Assurance
Mark Squires	
Alex Turner	
Jim Woodlingfield	

4329 In Attendance

David Balme	Director Governance, Assurance & Risk
Yolanda Hughes	Interim Clerk to the Corporation
Grant Glendenning	Principal, Carlisle College
Tony Lewin	Principal, Newcastle College
Steven Wallis	Director of Quality & Standards
Ian Webber	Managing Director, Intraining & Rathbone
Mike Wilmot	Chief Finance Officer

4330 Opening of Meeting

The Chair opened the meeting at 9.00am and explained the order of the events for the Governors' Strategic Day which would commence with two hours allocated to conduct the NCG Board business postponed on the 9th October 2018.

The Chair added that he wished to shorten the quality and finance report within the formal Board agenda as these items would be covered in full later that afternoon as part of the Governor Strategic agenda.

The Interim CEO and Executive members were formally thanked for their professionalism and the part they had played in maintaining stability over the past week since the resignation of the former CEO.

4331 Apologies for Absence

Apologies received from the Chief Operating Officer.

4332 Conflict of Interest

There were no additional amendments or new declarations of interest made in respect of the agenda.

4333 NCG Corporation Board Minutes

Approved

The NCG Corporation Board formally approved the following minutes:

- a. Part 1 Minutes of the last NCG Corporation Board meeting held 4th September 2018.

The Chair of Corporation signed the approved minutes.

4334 Schedule of Actions

The Clerk to the Corporation presented the schedule of actions and outcomes as at 16th October 2018.

4405 – Safeguarding Policy & Procedures – noted for the record that the minor amendments requested at the previous meeting had been made to the policy documents. The Board were advised that the respective College Boards had already appointed or were in the process of appointing a Lead Safeguarding Governor.

The Corporation Board received the update with no additional comments.

4435 Student Member's Report – September 2018

The Board received the Student members report for September 2018 and commented positively on the quality of the report.

Received

The Corporation Board received the Student Member's Report for October 2018.

4436 Confidential - NCG Chief Executive Officer – Report October 2018

The Interim CEO presented the report highlighted the key points within the document.

- Ofsted – The Interim CEO advised the Board that he had recently met with Paul Joyce and discussed with him the consultation which would be undertaken in the Spring around campus based inspections. The view was that a sensible, pragmatic decision would be reached in respect of campus based inspections.

Action – Director Governance, Assurance & Risk/Interim CEO Time to be allocated at a future NCG Board meeting for a full discussion around Ofsted and that a detailed report on any issues relating to campus inspection would be presented in due course.

- NSS Survey – Good outcomes had been achieved and governors acknowledged the excellent results which would be reviewed in detail at the next HE Governance Committee meeting in November 2018.

- Lewisham and Southwark College

Strike Action – the Principal, Newcastle College reported that approximately 47 members of staff (equating to approximately 10%) had participated in the strike action which took place the previous week. It was noted that further strike action had been planned for Monday, Tuesday, Wednesday but that UCU had now agreed to go to mediation to discuss the matter further with the understanding that if a matter was not resolved that they would still be able to proceed with the original strike action. The Chair of Corporation asked about the impact on business during the strike action. The Board were assured that there had not been no noticeable detrimental impact on learners as they had planned for the event.

- Institute of Technology

Governors requested an update on the current position and the Principal, Newcastle College stated that they had been in communication with New College, Durham and with the DfE regarding NCG's position in respect of their Ofsted grading which prohibited them from proceeding as originally planned. Governors expressed their concerns and acknowledged that this was a significant issue for NCG going forward.

- Lewisham Southwark College update

Action – Interim CEO

The Chair of Corporation requested that a report be submitted to the Board giving an update on the post project evaluation.

Received

The Board received the Interim CEO's update for October 2018.

4437 Confidential - Quality Improvement Action Plan – update

The Director of Quality & Standards gave the Board an overview on the Quality Improvement Action Plan explaining that the data tables and information within the document would be covered in detail in his presentation to the Board that afternoon.

The report included the following updates:

- The updated Improvement Action Plan.
- The current position in relation to Minimum Standards.
- P14 quality performance information as at 19th September 2018

Safeguarding

The Director of Quality & Standards reported that the Safeguarding Policy had been updated as requested by the Board at the last meeting.

The Director of Quality & Standards stated that he wished to bring to the Board's attention the tragic news from Rathbone where a student had taken their own life and that he had requested the safeguarding team to ensure that greater emphasis was placed on mental health and wellbeing support. The Board were advised that staff and students at Rathbone had also been provided with support and counselling.

Great Place to Teach – the Interim CEO and the Director Quality & Standards were spending a substantial amount of time on the Great Place to Teach strategy and the group were working really hard to maintain the momentum with the full launch due to commence on the 18 October 2018.

Governors commented positively on the Great Place to Teach speech by the former Chief Executive which had been upfront and open accepting the issues around teaching and learning and the work that needed to be undertaken going forward. The Board were in full support of the strategy and acknowledged that this would be the keystone for the Group moving forward.

Received
The Board accepted the updated.

4438 Learner Feedback September 2017 to July 2018

The Director Quality & Standards presented the Learner Feedback report from September 2017 to July 2018 and highlighted the key findings within each division.

The report consisted of data from both internal and external surveys conducted throughout the period as presented:

- Carlisle College– issues with low participation on QDP survey; FE Choice (employers) showing positive improvement, decline in FE choice (learner survey)
- Kidderminster College– strong showing at learner level; work required with employer confidence; a small sample for NSS
- Lewisham Southwark College– conduct own survey for QDP (results pending); good improvement in employer FE Choice confidence
- Newcastle College– an improving performance across all measures, a key improvement metric for the College
- Newcastle Sixth Form College (NCSF) – a slight improvement to QDP, no other surveys applied
- Rathbone– decline in employer confidence, offset slightly by an improving FE Choice (learner) score
- Intraining– a slight improving (0.7%p) with FE Choice (learner) confidence with significant decline in employer confidence
- West Lancashire College– improvements in QDP, FE Choice (employers and learners), decline from small sample of NSS

It was noted by the Board that the College Boards would be receiving full reports on learner feedback at divisional level and that NCG were receiving the key headline data.

Governors commented on the positive improvements for Newcastle College which had in the previous year been poor and was now above the national benchmark.

Intraining and Rathbone – Governors queried why there had been a decline in employer confidence and it was explained that they had found it difficult to unpick this but the Managing Director felt that it may have been down to the structural changes

Action : Managing Director Intraining/Rathbone to provide a further report giving an in depth analysis on the poor employer confidence as picked up within the report.

Received

The Board accepted the Learner Feedback Report.

4439 Confidential – UKVI Sponsorship Licence

The Principal, Newcastle College presented the paper give gave an update in respect of the development with NCG's Tier 4 Licence and UKVI.

Newcastle College had held and maintained a Tier 4 sponsor licence since February 2009. In November 2017, NCG commenced the process with UKVI to request to change the Tier 4 sponsorship licence from Newcastle College to NCG. This was the first of two steps required to seek approval for Lewisham Southwark College to be added to the licence with a view to commencing recruitment of non-EEA students. In May 2018 UKVI approved the change of circumstances application and the name of the licence was changed to NCG

The Board were advised that in order to maintain NCG's Tier 4 licence, the sponsors had to demonstrate that they met acceptable educational quality standards. An Educational Oversight body would make this assessment through an inspection. Sponsors are required to maintain their Educational Oversight throughout the duration of their Tier 4 licence. UKVI states that where a sponsor was inspected by more than one Educational Oversight body, they must achieve the required ratings set out by UKVI in both inspections. NCG was therefore required to maintain two Educational Oversight ratings being Ofsted and Office for Students.

Therefore when the UKVI took into consideration the current Ofsted grading as notified to them in September 2018 they had stated that they had set NCG's CAS allocation to zero in line with their current guidance, and should NCG achieve the required Ofsted rating, then we would be eligible to apply to reinstate the CAS allocation.

Therefore, until the matter was resolved, NCG would be unable to recruit any Tier 4 students. Thankfully due to the timing of the UKVI decision,

the majority of recruitment and enrolment for the September 2018 intake year had already taken place.

The Board were furthermore advised of the next steps that NCG were taking in working with [REDACTED] to put forward further arguments to challenge the decision of UKVI

Governors commented on the significant impacts that the poor Ofsted grading had on the group and that this was a serious issue and that it would be imperative to monitor the position closely.

Governors asked whether there would be an impact on EU students in respect of UKVI in the future but it was confirmed that this was not clear at this stage.

Governors probed the Executive on the longer term financial income implications and the Principal, Newcastle College stated that it would be in the region of £100k per annum.

Action – Principal, Newcastle College

An update on the outcomes from [REDACTED] to be brought to the Board as soon as possible.

4440 Annual Risk Management Review

The Interim CEO/Executive Director, Partnerships & Assurance presented the Annual Risk Management report which was formed of three key elements including:

1. Calendar of reporting
2. Update on risk for 2017/18
3. Review of the Risk Management Policy & Procedures

The Director Governance, Assurance & Risk would now be reviewing the risk approach and explained that the content of the current report was too detailed and the aim was to make it more strategic ensuring that reports were made at divisional level and at NCG Board level.

The Board agreed that it was an opportune time to review the current approach.

Governors asked how the residual risk actions were monitored and it was explained that this was very subjective which made it difficult. Governors discussed the matter at length and agreed that a detailed review of the risk register was required and that this would include a review of governance and how it dovetailed to divisional levels.

The Board further discussed the generic risks and the importance for each of the Colleges to look at these and determine if any or all were a risk for them. The Chair of Audit added that responsibility needed to be given to divisional college boards to take ownership of their local and specific risks and that these be reported on.

***Formally approved
Risk Management Policy & Procedures***

***Action – Director Governance Assurance & Risk
To draw up a revised risk management approach as discussed to be
presented to the Audit Committee in March 2019 with formal
approval to be considered at the May 2019 Board meeting.***

4441 Corporation Matters

The Board received the report on Corporation matters and formally approved the appointment of College Board members as detailed below:

Lewisham Southwark College Board

1 x External member – it was formally proposed by the Chair of Lewisham Southwark College Board that Cllr Kieron Williams who was the Cabinet Member for Jobs, Skills & Innovation Labour & Co-operative Councillor for Camberwell Green be appointed as a member of Lewisham Southwark College Board for a 3 year term of office.

Agreed

The Board formally approved the appointment of Cllr Kieron Williams effective 16th October 2018 for a 3 year term of office.

Lewisham Southwark College

It was noted for the record that the Chair of Corporation would be sitting on the selection and interview panel for the appointment of the two Principals for Lewisham College and Southwark College in due course.

AoC - Pay SPH Survey

The Board received the information regarding the AoC survey on SPH pay and requested that the Remuneration Committee review the information received and partake in the consultation process.

***Action – Director Governance, Assurance & Risk
Remuneration Committee respond to the above survey***

Governor Strategic Development Day – 16th October 2018

The Chair of Corporation stated that it had become clear during the events the week before that not all Principals, had been invited to the development day, which had now been rectified as it was important to regroup following the resignation of the CEO.

Governance Conference

Noted that the NCG Governance Conference had been confirmed to take place on the 29th & 30th November 2018. It was noted that Sir Frank McLoughlin had agreed to attend the event to give a talk on the FE sector.

4442 Confidential - Finance Report

The Chief Finance Officer presented the Finance report taking the document as read and that he would cover the key financial issues within his presentation to the Board later that afternoon.

Received

The Board received the Finance report.

4443 Supply Chain Fees & Charges Policy

The Chief Finance Officer presented the updated policy explaining that the Supply Chain Fees & Charges Policy had been approved at the July 2018 Corporation meeting. Since then NCG have consulted with their VAT advisors, Deloitte, to review the precedent subcontracts for 2018/19 to ensure that the wording was transparent and that NCG was not providing management services to the subcontractor and therefore subject to VAT, but undertaking services on behalf of the Funder to ensure high quality of provision compliant with the relevant funding requirements.

Deloitte recommended that the Supply Chain Fees & Charges Policy wording be reviewed to ensure that it was absolutely clear that no management services were being provided and no management fee which would be subject to VAT was being taken.

The Board considered the updated Supply Chain Fees & Charges Policy 2018-19, which had also been reviewed by Deloitte to ensure the wording is appropriate

Formally approved

The Board formally approved the updated Supply Chain Fees & Charges Policy as recommended.

4444 Confidential - London Pension Funds Authority (“LPFA” pooling)

The Chief Finance Officer explained to the Board that NCG had agreed in principal for the pooling of the Rathbone and Lewisham Southwark LPFA pension fund liabilities in the event of a cessation event for the Rathbone fund.

Formally approved

The Board formally agreed that the Chair of Corporation formally sign off and the Chair of Audit Committee witness the proposed deed for the pooling of the Rathbone and Lewisham Southwark LPFA pension fund liabilities.

4445 College Insolvency Regulations

The only update from the September 2018 Corporation was that the consultation was closed and the regulations would be debated in the Autumn depending on parliamentary time – with the plan that the regulations be put into law by the end of this year. The Department for

Education will be issuing Education Administration rules which will be available this term

Noted and accepted

4446 Subsidiary Board Minutes

The Board received the Subsidiary Board Minutes as follows:

Intraining Group Limited Minutes of meeting held 4th September 2018
Rathbone Training Limited Minutes of meeting held 4th September 2018

4447 College Board Minutes

The Board received the following College Board minutes:

- a. Lewisham Southwark College Board Minutes 25 September 2018
- b. Newcastle College Board Minutes 24 September 2018

4448 Any other Business – Confidential covered under Part 2 minutes

4449 Confidentiality of Business – Not for public record

4436 – CEO Report – October 2018
4437 – Quality Improvement Action Plan update
4439 – UKVI Sponsorship Update
4442 – Finance report
4444 – London Pensions Fund Authority

10.42am– Executive members, Staff & Students excused from the meeting.

4450 Confidential Items – Not for public record – Recorded as Part 2 Confidential Minutes

Meeting closed at 11.23am

4451 Date of Next Meeting

7th November 2018 at 4.00pm

Minutes agreed as being a true and accurate record and signed off by the Chair of Corporation