

NCG – Corporation Meeting

Minutes of Meeting held on Tuesday 7th May 2019 – 16.00 to 19:15

Details			Attendance		
Full Name	Position	Initials	Attended	Apologies	No Attendance
Peter Lauener	Chair of Corporation	PL	X		
Mark Squires	Governor	MS	X		
Caroline MacDonald	Governor	CM	X		
Chris Roberts	Governor	CR	X		
John Cuthbert	Governor	JC	X		
Jim Woodlingfield	Governor	JW	X		
Chris Payne	Interim Chief Executive	CP	X		
Visitors/ Presenters					
David Balme	Executive Director Governance, Assurance & Risk	DB	X		
Mike Wilmot	Chief Financial Officer	MW	X		
Karen Heaney	Chief Operating Officer	KH			
Steve Wallis	Executive Director of Quality	SW	X		
Tony Lewin	Principal – Newcastle College	TL	X		
Nicola Taylor	Assistant Director of Governance (minutes)	NT	X		

1. Meeting Administration

1.1. Opening of Meeting and Welcome

The Chair welcomed all attendees, and confirmed a lot had happened since the previous meeting; including the Strategy Day on 1st April and the FE Commissioner Visit. There was also a voluntary session with MW and CP on the Business Plan. The Project Apple consultation concludes on May 17th. The Chair highlighted the gap in terms of governor composition and confirmed that work is undergoing to fill these vacancies. JW is stepping down at the end of this term.

1.2. Apologies for Absence

Not applicable.

1.3. Declarations of Interest

No declarations were reported.

1.4. Review of Minutes from the Previous Meeting – 5th March 2019

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

1.5. Register of Board Actions

The Board reviewed the register of actions. DB advised that he had not yet started sending out the circulars but confirmed that these would be sent out on a monthly basis going forwards.

1.6. Matters Arising

1.6.1. UKVI Update - Confidential

TL presented the report and confirmed that a letter from UKVI is expected by the end of the week, confirming reinstatement of CAS applications but with specific conditions in place. [REDACTED]

The Chair thanked TL for his work in this area. The Board noted the report.

1.6.2. Minutes

1.3 – The Chair touched on the Frequency of meetings of the Subsidiary Boards and noted that meeting had not been held during the previous 2 months. He further confirmed however that the governor members on the Subsidiary Change committee met weekly to ensure that Project Apple was being delivered appropriately.

5.2 – The Chair confirmed that Corporation would like sight of the numbers who were due and not due to receive an increment, following the new approach in Lewisham Southwark and Newcastle before they are paid in October. **Action: KH to provide an update to the Board in July.**

2. Student Members Report

DB presented the report produced by Paula Miller (PM). It was confirmed that Cameron Hartley had been appointed as the Student Union Student President, and the Chair suggested that CH is approached to join Corporation as the Student Governor. The Board agreed to ask CH to join with effect from June 19 to August 20.

Action: DB to approach CH with regards to becoming the Student Governor from now until August 2020.

The Chair confirmed that Corporation would consider students from across the whole group for the following academic year.

Action: DB to create a paper on the recruitment process for Student and Staff Governors which would be presented to the June 2019 meeting.

Governors discussed the possibility of PM continuing to support the students from across the divisions with the Student Members Report. Governors supported this noting that the report was 'worth having' and 'highly valued' as well as being quite daunting for a new voluntary student member. To this end, the Board agreed for TL to speak to PM with regards to continuing to support with the production of the Student Members Report, and wanted TL to reiterate how appreciative the Board were of this.

Action: TL to approach PM with regards to continuing to produce the Student Members Report.

DB confirmed that he had been asked to set up an example report and guidance for the Student Report at College Board level, and advised that a consistent approach across College Boards should help with the production of the Student Members Report for Corporation.

Action: DB to draft a sample template for the student members report.

The Board noted the report.

3. Report – Interim Chief Executive

CP presented the report. CP noted that there had been an error in the apprenticeship rates for NCG for the 17/18 academic year. CP confirmed that if this data was requested, there must be something in writing to explain and highlight this error rather than it being picked up as incorrect.

CP noted that there is a pressure on the apprenticeship budget nationally, and that this is a risk for NCG. [REDACTED]

[REDACTED] The official response was to review the business case in terms of the new funding allocation which will be made available in a couple of weeks.

Action: CP to provide further detail surrounding the risk to NCG and update the Board once the new funding allocation is available.

The Chair requested that a paper be produced setting out NCG's strategy for attracting levy paying employers. CP confirmed that work is undergoing as to what the national apprenticeship offer would look like, however this paper would not be progressed until Autumn. The Chair requested the paper to include information on Levy V Non-Levy, and also include updates from College Boards.

Action: CP to draft and present to Corporation NCG's strategy re Apprenticeships.

MW confirmed that this information would be included within the budget which would be brought to the July Meeting.

Action: MW to provide an overview within the budget info presented at the July meeting.

CONFIDENTIAL - CP provided an update from Andy Dobson, Principal of Kidderminster College (KC), on the recent announcements in relation to changes at Birmingham Metropolitan College (BMET). Discussions are ongoing in relation to the extent of student transfer to KC, along with the potential for KC to occupy or acquire facilities. The corporation will continue to be updated and if any significant change is required a business plan will be produced.

Action: CP to update Corporation as discussions proceed.

The Board noted the report.

3.1. [Redacted]

3.2. Strategy Day

CP presented the Strategy Day presentation, and confirmed work is underway in terms of agreeing the Purpose, Vision, Values and Strategy. CP presented the suggested vision and asked governors for comment.

Governors discussed the phrases “working together”, “A national” and “learning experiences”.

CP discussed the draft organisational goals, and governors agreed that they felt the sequencing of the goals were correct.

It was confirmed that the strategy would be shared, and consulted upon, with all governors across the group at the upcoming governor conference.

Action: Governors to contact CP directly with any feedback and / or to discuss the strategy in further detail.

The Board noted the presentation.

3.3. Project Apple - Confidential

CP provided the report with an update on Project Apple, confirming that the latest subcommittee meeting had taken place prior to the meeting of Corporation, at 2pm on 7th May. It was confirmed that the Audit Committee is overseeing one aspect of the Project Apple work in terms of the ESFA findings with regards to data.

A huge amount of work is being undertaken, and it is looking like a reasonable prospect that there will be an organisation taking over the Welsh provision. The intention is to consult re the Scottish Provision shortly. The English consultation closes next Friday (17th May).

With regards to the ESFA findings, the preliminary results from PwC have been provided and this suggests significant data anomalies which would back the position of ESFA. The committee have agreed to pursue the investigation to further investigate these findings.

KH will be leading on this, supported by MH [REDACTED] KH continues to liaise with the ESFA on this matter.

The governors asked if the issues relating to the Welsh data (from a number of years ago) were linked to the current concerns. CP confirmed that this was not the case.

Weekly meetings are taking place to discuss Project Apple, aside from the investigation.

4. Report – Executive Director of Quality

SW presented the report, and confirmed he was asked to provide a summary of the Ofsted visit to NCG and Intraining, and also what work is being undertaken to improve apprenticeships.

It was confirmed that the Ofsted monitoring lines matched those included within the self-assessment review which was positive. SW further shared that a key focus for NCG is to align a new tender in terms of learner progress tracking which will support the work already being delivered.

Strengths can be seen across the NCG visit, and reasonable progress is clearly noted.

Although the actions for Intraining were understood, an improvement couldn't be seen to teaching and / or learners. It wasn't felt that enough had changed on legacy apprenticeships, and concerns remained around OoFs and BiLs.

SW confirmed that apprenticeships are a key area of focus, as well as progress review which needs to evaluate the skills, knowledge and behaviours of learners.

It is felt that Newcastle College are moving into the Ofsted grading of Good, and NSFC have moved into Good in terms of Teaching and Learning. At Lewisham & Southwark, rates are improving however SW and his team are not satisfied that the quality of Teaching and Learning is of a consistent quality standard. It's felt that teachers are behind those across the group, and additional work will be implemented to improve this. Lewisham & Southwark will be working with local colleges who have recently been graded as Good to drive improvement.

Governors questioned the data, as this showed that around 50% of students at Lewisham & Southwark were making better than expected progress, and SW confirmed that this data needs to be refined as students may be making the necessary progress but they are not necessarily being stretched and challenged, and this is the concern.

It was noted that NSFC and West Lancashire have been using this reporting framework for a couple of years, and therefore their data is likely to be the most realistic. It was agreed that robustness was required across each of the colleges.

Governors queried as to why there were no students making better than expected progress at NSFC, and SW confirmed that it was due NSFC using the ALPS system and the targets are challenging. It was agreed to remove NSFC out of this graph and include them separately to reflect this different approach.

Action: SW to provide clarity around how ALPS indicators work, and how learner progress is evaluated across the group to the June meeting of Corporation.

Governors asked for the "Quality of Education: A Level Progress" slide to reflect that this data only related to NSFC.

Action: SW to update the template slide to reflect the above request.

Governors queried the drop in retention for West Lancashire College, and felt that this was a big jump across the month. SW confirmed that this was likely to be an anomaly in terms of data not being updated at regular intervals. Governors requested that data was routinely updated.

Action: SW to share the governor's request with College principals.

Governors asked about the work being undertaken with English and Maths. SW confirmed that the colleges are improving however this is still an area for improvement. It was confirmed that the impact is not as visible as NCG would have liked and this is therefore a key risk.

Governors questioned how Newcastle College had reduced the number of OoFs by 50% since September, and it was confirmed that this was achieved by working effectively with the learners and tutors. A new apprenticeship manager has been appointed and this had made a large impact. It was confirmed that some of these apprentices will have withdrawn. It was discussed that an apprenticeship review team will be set up in each college to tackle this issue. Governors noted the progress on apprenticeships.

The Chair requested SW to produce a report to show how progress can be seen in terms of attendance.

Action: SW to provide report in October 2019.

The Board noted the report.

JW left the meeting.

4.1. Ofsted Consultation Responses

SW confirmed that no further responses had been received.

5. Report – Chief Operating Officer

KH presented the COO report, and confirmed that the format had been changed to provide an operational summary which is also meaningful from a college perspective. This approach is currently being trialled with West Lancashire. The report also includes a section on Health & Safety for the first time, following a recommendation from Audit Committee.

Governors asked if the data surrounding sickness and absence could also include last year's data to allow comparison.

Action: KH to include this going forwards.

Governors noted that the levels of completion for mandatory training were good, however noted that the appraisal completion rates were low. It was confirmed that the system isn't user friendly, and it is likely that the appraisal process has taken place but this has not been recorded. Work is being undertaken to improve the system to improve the levels of recording.

The Board noted the report.

5.1. Pay Claims

KH presented the paper, and confirmed that positive negotiations were underway with the unions. It was noted that the unions have been understanding of the current financial position. To moderate impact on this academic year, a two-year deal is currently being

negotiated. The recommendation should be ready for the June Corporation meeting. NCG are keen to commit to the living wage increase, but again this would be wrapped up within the negotiation. Governors asked as to whether NCG were an official living wage employer and it was confirmed that they were not as not all of our subcontractors offer the living wage. Governors also asked if NCG pay the London living wage and it was confirmed they do.

The Board noted the report and endorsed the discussions with the unions.

5.2. Property Update

KH delivered the presentation, and confirmed that there are currently 55 buildings either owned or leased across the group, equating to a value of £255mil. Newcastle College are the highest in terms of space utilisation however this number is impacted as a result of the curriculum areas delivered (such as rail).

There isn't a current estates strategy, and therefore college estate strategies are being implemented to filter into a group wide strategy.



KH presented the new vision for the Newcastle College site. KH noted that no previous considerations with regards to the Newcastle College site had been brought to the board.

Governors discussed the proposal, and agreed that the surrounding areas of Newcastle College look poor and this would improve the site visually. Governors agreed that this sounded like an exciting proposal. Governors asked if the council would part fund this project, and KH suggested not but did suggest developers may be interested in a joint venture.

Governors confirmed they were unable to comment further as they did not have a clear picture as to how much capital was needed, and when this was needed by. Governors were also unclear as to whether there were other avenues to explore in terms of Capital, or if this was the only option.

MW confirmed that NCG have loans which need repaying in the next few years, and without an injection of cash the settlement of these loans would result in the bank covenants being broken.

Governors agreed that it was difficult to decide on an individual project, as this needed to sit alongside a broader financial picture. Governors requested KH to come back to the Board with more options and detail around NCG's long-term financial strategy and needs. Governors did agree however that they would like to improve the welcome and look / feel of the campus.

It was agreed that the Governors would hold an additional session on the morning of 11th September to consider the proposal in further detail, as well as consider other potential options and the larger financial strategy.

Action: KH to collate additional options and links to NCG's long-term financial strategy.

Action: DB to make arrangements for the additional meeting on the 11th September 2019.

It was also agreed for the proposal surrounding Lewisham & Southwark be briefly considered at the June corporation.

Action: DB to add to June agenda.

5.3. Equality, Diversity & Inclusion Strategy and Policy

The Board approved the Equality, Diversity & Inclusion Strategy and Policy.

6. Report – Chief Financial Officer

MW presented the report and confirmed that the P8 accounts were not materially different from the trend expected. Due diligence is underway on the 3-year plan. Property valuation is underway for the Newcastle and Carlisle properties.

Work is being undertaken with regards to the ESFA Health Rating, and MW confirmed that NCG needs to ensure adequate financial health this year, but also needs to create headroom for next year.

Governors asked if the management accounts included the latest costs for the current wind down of the Training Providers and MW confirmed this was the case. MW also confirmed that the forecasts included the expected losses, and a worst-case scenario had been used. Revised forecasts are being updated on a regular basis.

6.1. Bank Covenants – Letter of Concern

MW confirmed that the letter had been received and was included within the published papers. [REDACTED]

[REDACTED] MW confirmed that issues must be resolved prior to this year-end otherwise NCG would go into intervention.

The Board noted the report and supported the line MW is taking.

6.2. Insolvency Regime

MW presented and confirmed that the Secretary of State can apply to have an educational administrator come in to override the normal administration process to protect learners. This could be to help wind up the organisation, or move students and staff to a separate entity and leave the creditors behind.

Governors wanted assurance that insurance was in place to protect Governors.

Action: DB to investigate and report to the June meeting.

The Board noted the report.

6.3. Subcontracting Provision Update for 18/19

MW presented the report and confirmed that this was a regular update in terms of the subcontracting provision. Subcontracting provision has been upped to reflect the reduced adult activity within the Training Providers. MW confirmed that commitment to subcontractors is being reduced. Governors noted and welcomed the steps which have been taken to lower the provision.

Governors queried where it showed an increase in subcontracting provision, however MW confirmed that this figure related to the credit limit, and therefore maximum limit, rather than actual spend.

Governors sought clarification that costs are being covered for some areas where the retained percentage was very low. MW confirmed that this was the case.

The Board noted the report.

6.4. Credit Control Policy

MW presented the policy and confirmed that this follows the recently approved Fees policy, setting out how NCG expect learners and employers to pay.

The Board approved the policy.

Action: Figures on the fee collection issue to be provided at June Corporation meeting.

7. Report – Executive Director of Governance, Assurance and Risk

7.1. College Board Terms of Reference

DB presented the terms of reference for College Boards.

The Board approved the Terms of Reference.

7.2. Letters to Chairs of Governing Bodies – Office for Students

The Board noted the letter, and that DB was going to pick this up during the next HE Governance Committee.

Action: DB to take to next HE Governance Committee (July).

7.3. Updated Appraisal and Remuneration Terms of Reference

DB presented the terms of reference for the Appraisal and Remuneration Committee; the key change was that the Chair of the Corporation would be co-opted to the committee.

Governors also wanted a section to include that members should be excused when discussions and agreements re their own benefits package are being discussed.

Action: DB to update.

The Board approved the Terms of Reference, subject to this caveat being added.

7.4. Draft Corporation Dates

Governors discussed the draft corporation dates, and the Chair suggested holding 3 corporation meetings at other sites across the group, which could link in with learner walks and presentations from Principals.

Action: DB to arrange.

Governors discussed the current start time of the meeting of 4pm, and the Chair asked for governors consider starting at the earlier time of 3pm.

Action: DB to consider the changing the start time to 3pm.

7.5. Feedback Request – Governor Strategy Day

DB requested Governors to provide some feedback following the April Strategy Day for evaluation purposes and evidence of governor development.

Action: Governors to email DB with feedback.

7.6. Risk – Category H – Physical Resources, IT & Environment

DB presented the report and confirmed that it had been updated to reflect changes in the last 12 months. DB further informed the meeting that the FE Commissioner and his team had discussed NCG's approach to risk and that the direction of travel proposed in DB's report (presented in March) and confirmed that it was consistent with the FE commissioners' expectations.

The Board approved the category H risks.

7.7. Risk – Category H – Health & Safety

DB presented the report and confirmed that it had been updated to reflect changes in the last 12 months.

The Board approved the category H risks

8. Corporation Matters

DB presented the Corporation matters report, and the Board approved the following appointments:

- Dawn Paine – Independent Governor at West Lancashire College
- Bence Gebei – Student Governor at West Lancashire College
- Lizzie Coulthard – Student Governor at Carlisle College

Governors noted that they had approved via email the appointment of Val Bailey – Independent Governor at Newcastle College.

Governors noted the below resignations:

- Katie Wilkie – Independent Governor at Newcastle Sixth Form College
- Graeme Dodd – Director of The Intraining Group and Trustee of Rathbone Training.

The Board were provided with an update with regards to the upcoming Governor Conference on 10th and 11th June 2019.

The Board were provided with the upcoming Graduation Dates for Newcastle College and Kidderminster. The Chair asked for Governors to confirm which they would be available to attend.

9. College Board and Subsidiary Minutes

The Chair expressed that he felt that the College Board minutes were outdated by the time they reached Corporation, and wanted feedback (both College Board to

Corporation, and Corporation to College Board) be accelerated. The Board noted the following minutes of College Boards:

- 9.1. Carlisle College Board – 27th November 2018**
- 9.2. Carlisle College Board – 28th February 2019**
- 9.3. West Lancashire College Board – 12th December 2018**
- 9.4. Kidderminster College Board – 6th December 2018**
- 9.5. Kidderminster College Board – 7th February 2019**
- 9.6. Newcastle College Board – 25th February 2019**
- 9.7. Lewisham Southwark College Board – 22nd January 2019**

Action: DB to ensure the introduction of Feedback forms from each of the Colleges.

10. NCG Divisional Updates

The Board noted the Divisional Updates.

11. Any Other Business

CP confirmed that he had approved a new learner tracking system. He highlighted this to the Board, as although the cost was within his approval limits, it was close to the cut off so wanted to ensure the Board had visibility.

DB confirmed that all governors across the group are being issued with their BoardPacks log in details and user-guide. The Governors discussed how they found BoardPacks, and suggested a reflection on the system.

Action: NT to issue user-guide to governors.

Action: DB to arrange refresh session.

12. Date and Time of Next Meeting – 4th June 2019 at 4pm

The meeting closed at 19.15pm.