



**MINUTES OF THE NORTH EAST SURREY
COLLEGE OF TECHNOLOGY FURTHER
EDUCATION CORPORATION HELD ON
FRIDAY 19 JULY 2019 AT 15.10, SKILLS
PARK BOARD ROOM**

PRESENT*	IN ATTENDANCE
Professor Sam Luke (Chair) Peter Stamps (Vice Chair) Frances Rutter (CEO & Principal) Graeme Hodge (Support Staff Governor) Jamie Roberts (Teaching Staff Governor) Simon Enoch Liz Lawrence Sally Pritchett Lynn Reddick	Cliff Shaw (Deputy Principal, Curriculum) Maria Vetrone (Deputy Principal, Finance & Resources) Dario Stevens (Vice Principal, Planning and Information Systems) Donna Patterson (HR Director) Josephine Carr (Clerk to the Corporation)

* Attendance at the meeting = 60%

80.18	Apologies for Absence
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Apologies for absence were received from the following governors: Maureen Kilminster, Margaret Martin Chris Muller, Kabir Shaikh, Chris Shortt and Vince Romagnuolo. The Clerk confirmed that the meeting was quorate.

81.18	Declaration of Interests
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The Chairman reminded Members to declare any interest they may have in any of the items on the agenda. Professor Luke, Peter Stamps and Frances Rutter declared their interest as unremunerated directors of NESCOT Enterprises Ltd, which is a wholly-owned College subsidiary company. Margaret Martin declared her interest as a member of Ewell Rotary Club, a trustee of Age Concern and a member of Surrey Chamber of Commerce. Maureen Kilminster noted her former position as the Principal of a College in Surrey.

82.18	MATTERS FOR REPORT
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The Chairman reported on the following matters: -

1. The principal focus for this Board meeting is to consider the College budget 2019/20. This year the budget process has been particularly challenging principally due to a significant reduction in lagged funding of 16-18 year olds, AEB and apprenticeship funding. I would like to thank Maria and her Finance Team for their tremendous effort in preparing the options and the support of the Executive SMT in presenting the budget tabled this morning.
2. In addition to preparing for the new academic year over the summer, College staff will be busy preparing for the impending OFSTED inspection. There is a free webinar for Governors next Wednesday at 9am explaining the new inspection framework being introduced in September 2019. Josephine will be circulating further details in her weekly update this afternoon.
May I remind Governors that mandatory training or evidence of comparable professional training should be completed over the summer as OFSTED will require evidence of this as part of the Governance paperwork.

3. As is our custom we will spend a few minutes at the end of the meeting reviewing our effectiveness as governors, the quality of the debate and how effectively we have scrutinized the College and held Senior Managers to account.

The Deputy Principal advised the meeting that the principal change in the OFSTED inspection (September 2019) is that Curriculum is the driver – why you offer what you offer, how you do it and its subsequent impact. As a result of the Curriculum planning process, Nescot is strong on why it delivers the programmes which it does and how.

The Chairman asked the Deputy Principal for a list of bullet points that governors should be aware of regarding the OFSTED inspection.

83.18	Principal's Update
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The College is focused on enrolment for 2019/20. The Induction and Welcome day on 27th June received over 1,000 registrants compared to 425 for the 2018 day with some 890 potential NESCOL students actually attending. If conversion rates from attendance to enrolment follow similar patterns to previous years then the enrolment numbers for August 2019 should be good.

However, because of a significant reduction in lagged funding for 16-18 years-olds and other funding streams, the College needs to balance the 2019-20 budget against any increased number of students. The Principal advised the meeting that a series of Open events throughout 2018-19 have driven up the number of applications for 2019/20. Also the College has improved its collection of data of potential students and visitors.

Further to the Principal's "State of the nation" presentation at the beginning of term, the Principal reiterated the importance and benefits for Nescot of her role and work with the Coast to Capital LEP. The Principal is the nominated FE representative on the main LEP Board and is Chair of the Skills 360 Board (a subset of the Main Board) looking at skills and labour market within the LEP.

1. Gatwick airport, at the heart of the Coast to Capital LEP (C2C), announcement yesterday its masterplan for expansion. This offers a significant opportunity for Colleges.
2. The 360 Board has commissioned an analysis of the labour market and skills and the gap within the C2C LEP. The Principal will have access to current, invaluable information to assist Nescot's curriculum planning and where to target employers within the region.

84.18	MINUTES
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The minutes of the meeting held on 24th May 2019 were approved as a correct record.

85.18	MATTERS ARISING
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The matters arising report from the previous minutes and other items carried forward were received and noted. The Deputy Principal advised the meeting that the staff training regarding the College Lock-down procedure had been very well-received by staff. Whilst the College is unable to guarantee everyone's safety in such circumstances it is vital that staff know how to react to the different alarm sounds. The Police have reviewed the policy and it has been sent to the new Government SE Prevent lead.

86.18	STUDENT MATTERS
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In the absence of the FE Student Governor, the Clerk informed the meeting of the proposal to provide a new mechanism to encourage more student voice feedback, particularly for the "silent majority". There will

be two Moodle pages for the FE and HE student governors where students may post questions and/or comments. The generic email addresses of HEStudentGovernor@nescot.ac.uk and FEStudentGovernor@nescot.ac.uk have been created and the Deputy Principal will monitor both the Moodle and generic email accounts. The precise information to be shown on the Moodle pages has yet to be agreed. The Deputy Principal and/or the respective Directors of Faculties will provide support and guidance for the Student Governors.

The meeting agreed that this should be trialled and usage reported at Corporation meetings.

The meeting noted that Student Governor attendance at meetings had been poor compared with previous years. The Staff Governors have agreed to act as mentors for the Student Governors.

87.18

STAFF MATTERS

The Staff Governor(Teaching) reported that staff are begrudgingly grateful (staff attendance is mandatory at evening and weekend events) that the open events have been well-attended and are looking forward to student enrolment.

The inclusion of Faculty Directors within SMT has been well received by staff.

The CPD week was well received, in particular the session on “Understanding the teenage brain”.

The Staff Governor (Teaching) asked if the analysis regarding attendance data this year and the impact of cancelling May half-term had been undertaken? Staff need to be advised of the impact of losing their traditional May half-term. The Principal advised that this data would become available during the summer holidays.

88.18

STANDING REPORTS

Governors reviewed the standing agenda item on safeguarding, Prevent and Health & Safety 2019 Update PowerPoint. The principal discussion points being:

1. Safeguarding referrals have increased; in part due to the greater awareness of the reporting process and the visibility of the safeguarding team.
2. Some incidents/referrals relate to the same individuals (i.e. more than one referral per student).
3. Safeguarding referrals in comparison with other colleges of the FE sector are not known.
4. Is the College doing enough to support both staff and students? The College cannot prevent incidents happening, but the training is becoming imbedded in the college culture as per the example of the Nescot Caretaker looking after a troubled teenager on Burgh Heath Road and waiting until the Police arrived.
5. Mental Health training sessions for staff will continue throughout 2019/20.
6. The Safeguarding Team is being re-located in the North Wing where they will have more space, in particular space to meet with students and staff.

The Deputy Principal advised the meeting that a “Fit to Study” policy has been drafted, which when approved, will assist staff when having difficult conversations with students regarding progression.

The Deputy Principal advised the meeting that none of the reported Prevent incidents have progressed.

89.18

STRATEGIC REPORTS

89.1 Strategic Plan Scorecard

The Vice Principal reminded the meeting that the scorecard presents the top level 6 key priorities for the College as directed by the 5-year strategic College to ensure that Nescot is the College of Choice for staff, students and employers. There are more detailed departmental KPI's beneath these.

The College is aiming to be graded good or outstanding by OFSTED but needs to be able to demonstrate this. The Deputy Principal advised the meeting that the College achieves what it sets out to do in the vast majority of incidents. However, the College needs to improve on the provision of work experience and the recording thereof.

There is also a risk regarding the grading of the College's direct apprenticeship provision. The direction of travel should be documented and it is anticipated that the achievement levels will be much closer to the national average for 2018/19; anticipating 71% compared to 63% in 2017/18. The timely achievement rate should reflect a similar improvement.

There are 18 courses in intensive care, of which 12 will achieve their targets. Currently vocational achievement levels are anticipated to be higher than in 2018/19.

With regard to the College's growth objective, the Vice Principal informed the meeting that 95% of the students attending the welcome and induction day on 27th June said that they were more likely to enrol because of the event.

1,500 attended the College summer fair, with only one complaint received.

With regard to Objective 3, the College continues to increase attendance and achievement in English and Maths. Based upon students' work, the College is hoping to achieve national FE average achievement rates. Next year intuitive software will be available for students to use and classes will be delivered in vocational areas (as opposed to the upper level of the LRC) and will be timetabled to reduce gaps between vocational classes and English and Maths classes and so should increase attendance levels. Also students are often more confident when in their own vocational space and so it is hoped that this will in turn improve achievement rates.

The destinations for this year's students is not yet know but is hoped to reflect similar levels to last year (94% positive destinations). The College commissioned a "Progressions to employment" report which was discussed at the May Curriculum and Quality Committee. Career workshops were held during May and June. There are no major variances regarding ethnicity and diversity. However, attendance and achievement levels of students in receipt of free school meals are lower.

Governors asked whether the College should actively promote these successes on the College website and banners outside the College? Yes.

The College is particularly strong in its provision of LEP priority areas as evidenced in the 2019/20 curriculum planning presentation.

<p>89.2 Corporation KPIs</p>	<p>The number of High Needs Students has seen significant growth as the College now works with 11 local authorities.</p> <p>Key Priority 6: Employer of Choice. The Director of HR advised the meeting that the analysis of staff leaving the College had improved since the introduction of an online survey (exit interviews are not mandatory in the College). The principal reasons for staff leaving the College are salaries and promotion.</p> <p>The “Thank-you” bonus of £25 and a personal letter from the Principal is appreciated by staff and 40 people were nominated for the bonus in 2018/19.</p> <p>The College is using some of its apprenticeship levy for staff to undertake Leadership and Management courses. From September 2019 staff will be offered free places on courses where a vacancy occurs (i.e. for courses taking place outside the member of staff’s working hours). The member of staff will only be required to pay for any examination fee.</p> <p>The turnover of staff leaving the College is decreasing (16% to 31st May 2019 compared with 25% in 2017/18). However, a proportion of staff leaving the College is due to ill-health or directly managed departure. The turnover figure does not include staff being made redundant. This is in line with the AoC guidelines. SMT see the data relating to members of staff whose departure is actively managed and those who leave the College voluntarily.</p> <p>The meeting noted the Strategic Plan Scorecard as at 31st May 2019.</p> <p>The Meeting was advised that there are no significant variances since the March report:</p> <ul style="list-style-type: none"> • The retention rate remains just above that of last year at 96%. • The Deputy Principal is chasing curriculum departments for their student work experience data – the College is currently at 1,060, 40 short of its target. The Deputy Principal anticipates 97-97% of the target will be achieved by the 31st July 2019. • Similarly, some 43 results are pending for direct apprenticeships (30% of the cohort). • There is an increase in staff sickness, principally due to long-term sickness and some workplace conflict. <p>The meeting noted the Corporation KPIs May 2019.</p>
<p>90.18</p>	<p>FINANCE REPORTS</p>
<p>90.1 Management Accounts May 2019</p>	<p>The Deputy Principal (Finance and Resources) presented the May management accounts. Of particular note, is the increased forecast of the operating surplus of £20,000 compared to that within the March accounts of £4,000.</p> <p>The Deputy Principal (Finances and Resources) reminded the meeting of the 2 pressure points for the 2018/19 budget:</p>

1. Under enrolment against curriculum plans to the value of £1.6 M comprising £732,000 lagged 16-18 income, and a shortfall of £900,00 relating to apprentices and self-funded learners.
2. Additional pension liabilities at year end of £522,000 arising from an actuarial valuation received in September 2018 after the 2018/19 budget had been set. The meeting noted that this is a balance sheet item as opposed to a cash item.

The College 2018/19 budget included two inherent risks:

1. Apprenticeship provision and the lack of non-levy funding from the ESFA. A growth bid of £1M was unsuccessful.
2. The joint venture with ASTM which is contributing a significant net surplus to the College but is not without accompanying operational and reputational risks.

Going forward the College needs more students and must focus upon and reduce the cost of its curriculum. This should include an increase in blended learning and cost-effective delivery.

The meeting noted the management accounts for May 2019.

The Deputy Principal (Finances and Resources) presented the finance KPIs for May 2019 and advised the meeting that the May KPI's had not been discussed at the Financial and General Purposes Meeting earlier that morning.

90.2 Finance KPIs May 2019

Cash days in hand: forecast out-turn at year end is 87 days compared to the budgeted 92. Members were reminded that £1M of the College's cash reserves had been transferred to a medium risk investment fund in January 2019. This then becomes a fixed asset and so reduces the College cash reserves on the balance sheet. The FE sector average is currently 60 days.

Current ratio: The May ratio is 5.61 with a year-end forecast out-turn of 3 compared with a budget of 3.16. The meeting noted that this remains healthy, particularly in light of the £1M transferred from cash (current assets) to the medium risk investment) which impact upon the current ration. The FE sector average is 1.4 whilst financial health guidance warns that the ratio should not fall any lower than 1.5. Members were reminded of the importance of the current ratio with regard to insolvency, particularly when the ratio approaches 1.0 indicating serious risk of insolvency.

EBITDA as a percentage of income: The May figure is 15.65% and the forecast out-turn is 10.42% compared to a budget of 8.4%. The FE sector average is 5%. The ESFA grade anything over 10% as outstanding. The Deputy Principal (Finance & Resources) reminded the meeting that, although cash generation was good, growth in the cost base continued to outstrip any growth in income and that the cost base needs to be better controlled, particularly staff costs. She said that the profitability of the College was in decline and that the College needs to be more efficient in running its business in order to be sustainable and to maintain its current ESFA financial grading of outstanding, which could be easily lost.

The Deputy Principal reminded the meeting that whilst the May accounts forecast a small operating surplus of £20K as opposed to the break-even budget, the College's Financial Strategy looks to achieve an operating surplus of 3% (£800K).

Income remains below budget by £250K this is counterbalanced by

- £315K non-pay savings;
- £480K savings generated by freezing vacant posts;
- Negative impact of LGPS charges.

Non-pay costs include the Open University validation costs. The College is moving away from multiple validations schemes with partners such as West London, Kingston, Greenwich, Surrey University and Pearson, which will save money in the longer term, in addition to saving organisational time working with one validating body as opposed to several, each with their own timelines and processes. A discussion ensued regarding whether validation with the Open University will be detrimental to the Nescot HE brand? SMT had carefully considered this issue before entering into the process with OU.

The meeting asked whether the forecasts were likely to significantly deteriorate by year end. The Deputy Principal assured the meeting that this was unlikely, but not impossible as a number of variables and uncertainties remained inherent, including the final value of achievement funding and final valuations of the LGPS deficit impacting on the I&E account at 31 July 2019. The meeting noted the significant impact of the 14-point Financial plan from January 2019 onwards transposing a worst case scenario of £2M deficit to an operating surplus of £20,000.

The Deputy Principal confirmed that "Support costs" included all expenditure save that of the Curriculum, Partners and Commercial activities, including depreciation charges and LGPS costs. A discussion ensued regarding the forecasts for the ASTM partnership. ASTM have developed a lean and agile operating model generating a healthy surplus for the College from an income of £3.5M. The risk and reward model of this partnership are highly evident and monitored closely. The Principal assured the meeting that Nescot Managers and SMT regularly visit the ASTM Centres to ensure compliance with NESCOT processes and procedures in this direct delivery arrangement. The ASTM Board meets monthly.

The strength of the College Balance Sheet ensures that Nescot has a good relationship with its bank. Members were reminded that the Non-current assets included the £1M invested in the medium risk investment fund in January 2019. This in turn impacts upon current assets which has reduced by a net £402K (i.e. the College has generated further cash during 2019/20).

The Deputy Principal (Finance and Resources) concluded her presentation by advising the meeting that all College financial KPIs were good except for the 3% operating surplus. The meeting thanked the Deputy Principal for her hard work and that of the Finance Team.

Principal assured the meeting that the risk and reward model of this partnership is highly evident and monitored closely.

The income budget includes £1.5M AEB funding from the GLA. It was noted that Nescot has established good relationships with its neighbouring metropolitan authorities. An additional £600K full cost income is forecast (increasing from £1.2-1.8M). In response to the staff governor asking whether these targets are achievable, the Deputy Principal advised that there is a risk attached to the full-cost income courses given that this relates to new courses and the enrolment of sufficient number of students to ensure the viability of these courses.

The Deputy Principal advised the meeting that the 2020/21 forecast was based upon the 2019/20 budget and similar assumptions contained therein. A modest operating surplus of £196K is forecast for 2020/21. The Deputy Principal reminded the meeting that the Finance Strategy suggests a 3% surplus. The College has not updated the Finance Strategy since 2018 as the AoC advises that there is little merit in doing so given the current turbulence of the FE sector.

A discussion ensued regarding the risks inherent to achieving the 2019/20 budget:

- ASTM delivering income forecasts together with the delivering the programmes and student achievement thereof;
- The achievement of £600K staff savings within the financial year;
- The successful growth bid for the advanced learner loan facility;
- Non-levy apprenticeships are in decline and there are clear targets for the sales of levy apprenticeships. The Principal is preparing an Apprenticeship Position Paper addressing the responsibilities for apprentices moving from the Director of Apprentices to specific Curriculum Head of Faculties;
- Additional full cost income of £600K being dependent upon new courses;
- Enrolment of additional High Needs Students and the accompanying funding from local authorities;
- The College delivering its course provision within the non-pay expenditure budget;
- The cost of current course provision.

In response to a Governor question, the Deputy Principal (Finance and Resources) advised the meeting that there were some initial thoughts regarding the achievement of staff savings of £600K but these will be dependent upon enrolment numbers. There will then be a staff consultation process to follow.

The meeting noted that there needs to be a drive to increase income in parallel to constraining expenditure, in addition to reviewing current methods of course delivery. However, cultural change takes time.

The senior management capacity, as discussed at Audit and Finance and General Purposes Committees, will be discussed later in the meeting.

P12 of the Budget commentary provides line by line income and expenditure together with notes supporting any significant variance.

P16-17 depicts the changes in College funding and student numbers.

The College Balance Sheet (P27) reflects a slight decrease in the value of the College estate due to a slowing down of capital expenditure to preserve cash. However, fixed assets amount to some £64M (£61M land and buildings, and £3M equipment).

The College Depreciation policy was reviewed and revised two years ago to reflect best practice, and which maintains an optimal financial impact on the College's income and expenditure account.

Balance Sheet provisions (P27) reflect the reduction of the LGPS deficit by some £10M over the last two years following successful challenges of the actuarial valuations and underlying assumptions by Nescot. Employers' contributions are fixed for 3 years until the next triennial valuation.

Key ratios (P28) have been rag rated for ease of comparison. The staffing ratio is dependent upon the achievement of the £600K staff savings.

The College will look to improve the management of its debtors and creditors; in particular, not paying creditors too early thus making use of 30 days or more payment terms ascribed to invoices, although this was not a major issue given low rates of bank interest. The Deputy Principal assured the meeting that the College's use of e-tendering and procurement practices adhere to best practice.

In response to a Governor question the Deputy Principal confirmed that the Enterprises Ltd income and Expenditure were included in the College Group accounts. If Rasika is lifted back out of the Company as anticipated, then Nescot Enterprises currently has a very low turnover and low risk profile.

The Deputy Principal advised the meeting that she had been cautious with income forecasting for 2020-21(P31) and that core funding lines included no growth from 2019-20. The 2020-21 forecast is based upon the same assumptions applied to the 2019-20 budget.

Budget Option appraisals (P35 -) The Deputy Principal advised the meeting that that SMT have discussed the best case, likely case and worst case budget in minute detail.

Best case: Break Even
Likely case £995K operating deficit
Worst case: £2.061m operating deficit

The College currently has sufficient cash reserves to absorb the operating deficits of the likely and worst case budgets should these occur. The Deputy Principal reminded the meeting that the achievement of defined pay cost savings and income targets

**91.2 Pay Review
2019-20**

were essential to the achievement of the 2019-20 budget and to align the College with the FE Commissioner's benchmarks. The Deputy Principal refuted the suggestion that she was being over cautious with regard to the likely case budget deficit scenario.

The Chairman of Governors re-iterated his comments shared at the earlier Finance and General Purposes meeting, that the proposed budget contained both risk and reward. He asserted that the College should achieve £660K staff savings and achieve the anticipated enrolment figures then a small operating surplus might be possible as now predicted for year end 2018-19. In response to a question from Governors, the Deputy Principal confirmed that a deficit budget would trigger an intervention from the ESFA on the basis of a significant reduction in the College's financial health.

Decision: The Board approved the 2019-20 budget and 2020/21 forecast provided that regular (preferably monthly) updates are provided during the year, together with specific updates after enrolment and the Census date.

The Deputy Principal (Finance and Resources) presented her paper proposing a 1% pay award from 1st September 2019. This award costing some £149,287 is deemed affordable by SMT, despite the 2019-20 budget pressures, provided that the £660K staff savings are achieved in-year. College staff received their first pay award in 2016/17 for some 6 years and it is essential for staff morale and retention that this is maintained in 2019-20.

In response to a Governor question, the Deputy Principal advised that the employer contribution rates towards TPS and LGPS are 23.68% and 19.1% respectively. Whilst central government are funding the first 11 months of the TPS increase only, these are placing a huge burden on the FE sector, and education sector as a whole. Costs have been built into the 2019-20 budget and one-year forecast.

P3 details the College staff costs. Implementation of the £660K staff savings should bring the College pay costs back in line with the FE Commissioner benchmarks. As referred to in the budget discussion, no firm decisions regarding how to achieve this will be made until the enrolment numbers are known. Once these are known, and updated by the census figures 6 weeks later, decisions regarding teaching group sizes and staffing requirements will be established. The Deputy Principal acknowledged that until enrolment numbers are known there is a risk associated with the achievement of the staff savings of £600K.

The Staff Governor advised the meeting of reports by the BBC that morning that the public sector pay cap will be removed to allow increase of 2.7% for teachers. The College proposed offer of 1% is less than RPI. The meeting noted that the given the volatility of the budget until enrolment figures are known that unless the core establishment was significantly reduced there was no opportunity to increase the proposed offer of 1%. However, the Board agreed that the situation should be reviewed in-year to identify whether a non-consolidated staff bonus might be feasible.

	<p>The Corporation noted the Finance and General Purpose's Committee recommendation that dependent upon enrolment numbers and other budget pressures, an unconsolidated staff bonus may be considered in 2020.</p> <p>Decision: The Corporation approved the 1% staff pay award with effect from 1st September 2019. The Deputy Principal will provide regular updates (preferably monthly) regarding the progress of the £600K staff saving.</p>
57.18	REPORTS FROM CORPORATION COMMITTEES REPORT
57.1	<p>Finance and General Purposes 6th and 19th July</p> <p>The Chair thanked the Deputy Principal and the Finance Team for all their hard work. Much of the budget discussion at the Finance and General Purposes July meetings has been replicated at Board level.</p>
57.2	<p>Audit Committee 15th July</p> <p>The Chair's report was read out:</p> <p>Members met with the External and Internal Audit representatives before the meeting commenced. Members expressed their concerns regarding the number of audit recommendations considered 'high' regarding the post May 2017 Apprenticeships. The Internal Auditor advised them that the College had undertaken work to address these recommendations, but further work was required. The IA advised the members that this is a sector-wide issue.</p> <p>The members stated that they are concerned that an ESFA funding audit might clawback funds together with the associated reputational risk for NEScot particularly given the challenge to ensure that the 2019/20 budget (whilst yet to be agreed) breaks even. The Internal Auditor stated that the ESFA will need assurance that the learners were eligible for funding whilst OFSTED will look for evidence that 20% off the job training was provided as per each learner's calculation.</p> <p>The Internal Audit Reports were reviewed:</p> <ul style="list-style-type: none"> • Subcontracting • Risk Management and Governance • Learner Numbers • IT Strategic Review • Key Financial Controls • Audit Actions follow-up: 60 recommendations 17/18 of which 48 fully implemented, 2 have been superseded and 10 remain outstanding; 8 relating to learner numbers and apprentices and 2 relating to Curriculum Planning. <p>The meeting debated whether there are sufficient resources to ensure that the Apprenticeship recommendations are achieved by September 2019. Members were advised of the proposed restructure for in-house apprenticeships.</p>

57.3

Internal Audit Plan 2019/20 – members questioned whether the emphasis was correct given the principal challenges of Apprenticeships, IT and ensuring Senior Management were not grossly overloaded (capacity and resources). Plan may be reviewed in-year if required.

Plan recommended to Corporation

External Audit Plan 2018/19 Accounts.

Materiality agreed at £279K

Plan recommended to Corporation

College Strategic Risk: A new risk (23) has been added: “Failure to maintain sufficient leadership and executive management capacity...”. The discussion deferred to Corporation regarding the workload and well-being of the 5 members of SMT. A need for Succession planning was suggested.

The meeting noted that the number of reported student behavioural problems (27) has almost halved this year.

Summary:

1. The Committee has concerns regarding the timelines for the completion of the Internal Auditor’s recommendations regarding the records of post May 2017 Apprenticeships.
2. The Committee has concerns regarding Risk 23, the workload of the Executive SMT.

The Chairman of Governors advised the meeting that the workload of the Executive SMT would be included in the Part Two meeting.

The meeting noted the timeline regarding the audit tender had slipped because of workload of the Procurement team. The Deputy Principal (Finance and Resources) assured the meeting that the tender would be completed before the end of 2019 and that the new contract would commence on 1st August 2020.

Growth Committee 3rd June

The Growth Committee looked at the effectiveness of changes to the new curriculum planning process to demonstrate that the Nescot offer meets both student demand and employers’ needs (Key Priority 3 and 4) but also supports our KP of stability and growth (KP 2).

It was interesting for Governors to note how some courses, such as plastering which were being considered for closure 3-4 years ago are now thriving. The Governors need to be aware that, after enrolment there may be some changes to courses. The importance of class sizes and how the College is looking to optimise its position and identify future trends.

The Terms of Reference for the Committee as a sub-Committee of Finance and General Purposes Committee are being reviewed as part of the annual review of

	<p>Committee business to ensure both good governance and prescribed areas of responsibility.</p> <p>The Interim Head of Sales will be presenting the College Sales Strategy at the September meeting.</p>
58.18	REPORTS FOR APPROVAL
58.1	<p>Settlement Payments (Part A)</p> <p>The Director of HR advised the meeting that there were no significant changes since the last Corporation meeting of 24th May.</p>
59.18	CORPORATION MEETING EVALUATION
<p>The Chair invited members to review the effectiveness of the Corporation Board meeting.</p> <p>Comments made included: -</p> <ul style="list-style-type: none"> • The Staff Governor teaching re-iterated his comments regarding the bleak news of staff savings. The meeting was reminded that other Colleges were having to implement much more stringent and larger staff cost savings. • Some Colleges are struggling far more than Nescot • The College capital programme, whilst challenging, is running well and is investing in the learners' environment. • Despite the challenges, the College is still achieving success in many different ways; the College needs to improve the marketing of its successes. • The commercial world is also challenging and does not always benefit from the positive mindset of the College. <p>The Deputy Principal (Finance and Resources) thanked the Board for its constructive challenge of her proposed budget and their support for the renewed drive to increase income generation and efficiency of operations.</p> <p>The Director of HR noted that the FE Sector and Nescot had faced similar or worse challenges in previous year; 2019-20 will be tough but the staff are almost accustomed to this and most will continue to ensure the best experience for students.</p> <p>The Chairman thanked everyone in the room for their contribution to the meeting. Governors are the critical friends who hold the Executive to account and the Nescot Governors are good at holding the SMT to account and please continue to do so.</p> <p>The Chairman thanked all College staff who, in challenging times, ensure that the College provides a rewarding experience for students.</p> <p>The College needs to market its successes better and so increase its market share.</p> <p>The Chairman thanked the Deputy Principal (Finances and Resources) and her finance team for ensuring that the College remains financially strong.</p>	

The Principal agreed with the Chairman and added that after two years of being in post, structures are in place to better support the development of the College. The College is a good College which is striving to improve despite the FE Sector challenges.

The Chairman wished everyone a good summer break.

60.18	DATE OF NEXT MEETING
The next meeting of the board will take place on 11 th October at 15.30	
61.18	ANY OTHER BUSINESS
There was no further business and the meeting closed at 11.58	

Decisions made:

1. The Board agreed that the Student Moodle pages should be trialed.
2. The meeting approved the 2019-20 Capital Programme of £1.7M.
3. The Board approved the 2019-20 budget and 2020/21 forecast be approved provided that regular (preferably monthly) updates are provided during the year, together with specific updates after enrolment and the Census date.
4. The Board approved the 1% staff pay award with effect from 1st September 2019. The Deputy Principal will provide regular updates (preferably monthly) regarding the progress of the £600K staff saving.

Action agreed:

1. The Chairman asked the Deputy Principal for a list of bullet points that governors should be aware of regarding the OFSTED inspection.
2. The Staff Governors will act as mentors to the Student Governors in 2019-20 onwards.

Signed



Date ...11th October 2019...

Professor Sam Luke, Chair of the Corporation

Author	Josephine Carr
Title	NESCOT Corporation Minutes 16 th July 2019
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