

Confidential Minutes

MINUTES OF THE MEETING OF FE CORPORATION

Held on Thursday 9th December 2021 at 9.30am in Skills Park Board Room and via MS Teams

Present: Professor Sam Luke (Chair), Lynn Reddick (Vice-Chair), Martin Butterfield, Simon Enoch, Angela Cross-Durrant, Margaret Martin, Chris Muller, Asa'ah Nkohkwo, Vince Romagnuolo (part), Peter Stamps, Nick Vaughan-Barratt, John Willis (part), Sylvia Ofei-Kwatia (Support Staff Governor), Felicity Fletcher (Academic Staff Governor), Aaron O'Connor (FE Student Governor), Kirsty Shaw (HE Staff Governor)

In Attendance: Donna Patterson (Director of HR), Cliff Shaw (Deputy Principal Curriculum & Quality), Dario Stevens (Vice-Principal Planning & Information), Maria Vetrone (Deputy Principal Finance & Resources), Sandra Dessent (Governance Professional)

15.21	1.0 Apologies for Absence		
	Apologies for absence were received from Frances Rutter (CEO/Principal), Alper Bakici (FE Student Governor) and Lamé Verre.		
16.21	2.0 Declaration of Interests		
	The following declarations were received: <u>Professor Sam Luke</u> : Unremunerated Director of NESCOT Enterprises Ltd. (NEL) <u>Peter Stamps</u> : Unremunerated Director of NESCOT Enterprises Ltd. (NEL) <u>Sandra Dessent</u> : Salaried employee of NESCOT Enterprises Ltd. (NEL)		
17.21	3.0 Minutes of the Previous Meeting and Matters Arising		
	The Minutes of the Meeting held on Friday 15 th October 2021 were agreed as a true record and will be signed by the Chair electronically. Matters Arising: <table border="1" data-bbox="263 1668 1308 1774"> <tr> <td>Governor Pack relating to Ofsted inspection to be circulated.</td> </tr> <tr> <td>Completed</td> </tr> </table>	Governor Pack relating to Ofsted inspection to be circulated.	Completed
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18.21	4.0 Update Reports		
	<u>4.1 Chair's Report</u> The two new members, Aaron O'Connor (FE Student Governor) and Kirsty Shaw (HE Student Governor), were introduced and welcomed to the Corporation.		

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	<p>In the absence of the CEO/Principal the Chair presented her update report which focused on updates regarding new and existing projects and the new Executive Leadership Team structure.</p> <p>Regarding succession planning, the Chair thanked Governors for submitting expressions of interest and confirmed that the applications would be considered at a special Search & Governance in January and proposals would be presented for ratification by Corporation in January 2022.</p> <p>A Governor Link Day had been scheduled for Monday 31st January, which was to be replaced with a Governor Strategy Day to discuss HE, Apprenticeships and Estates strategies, as well as Satellite Centre performance.</p>
19.21	5.0 Student Governor Matters
	<p>The HE Student Governor introduced herself and expressed her pleasure at becoming a member of Corporation. She talked about her background, her reasons for choosing NESCOT, and the excellent support she was receiving to help her achieve her teaching qualification.</p> <p>One of the FE Student Governors introduced himself and his background and also that of his absent colleague. They had both been eager to take up the position of Student Governor having been active members of the Student Voice process. They had also had the opportunity to attend the AoC Festival of Student Governance where they attended a presentation on sexual harassment and violence in colleges. The Corporation was presented with a summary of the conclusions from the session, including things that colleges did well, things that could be done better and suggestions for extending good practice.</p> <p>The Corporation welcomed the input from the new Student Governors and discussed how NESCOT could further develop good practice. The Chair also encouraged the new Student Governors to ask any questions and to feel fully part of the Corporation Board.</p>
20.21	6.0 Staff Governor Matters
	<p>The Staff Governors reported that they had attended the AoC Staff Governor Conference, which they found useful. They felt assured that the staff governors they met were mostly new to the role and had the same thoughts and questions about their role on the Board. They attended a breakout session on 'Education and Sustainability' and were keen to be involved with development of sustainability projects within the College.</p> <p>Going forward it was important to put into place a framework for reporting to Corporation through the Staff Consultative Committee. The Clerk confirmed that the process was being reviewed and would be reported back to the Corporation.</p> <p>In the meantime, having met informally with staff the main topics that were being raised so far were the ELT structure and difficulties in recruiting to some vacant posts, in particular cleaners.</p>

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21.21	7.0 Compliance Reports
	<p><u>7.1 Annual Report & Financial Statements of NESCOL Group 2020/21</u></p> <p>The Deputy Principal (Finance & Resources) presented the final draft of the Annual Report & Financial Statements which included all the amendments that were agreed at the Finance & General Purposes and Audit Committees.</p> <p>The Board discussed the final draft and drew attention to the contingent liability note which made reference to the investigation being conducted by the Education & Skills Funding Agency (ESFA). However, in view of the uncertainty, no financial provision had been made in the accounts for 2020/21. It was agreed by Corporation that in the interests of openness and transparency the same note should be added to the section 'Going Concern'.</p> <p>It was reiterated that the both the Internal and the External Auditors had agreed the content of the document and the amendments/additions requested by the Finance & General Purposes Committee and Audit Committee.</p> <p>Accordingly, the Corporation approved the Annual Report & Financial Statements for the NESCOL Group 2020/21 for signature by the Accounting Officer (CEO/Principal) and the Chair of the Corporation.</p> <p><u>7.2 Management Letter of the External Auditors and Letter of Representation</u></p> <p>Two representatives from the College's External Auditors, MacIntyre Hudson, presented the Management Letter and commented that it had been a 'clean' audit with full access given. They considered that the College had robust systems and the communication of management information had been excellent throughout the year. They were therefore able to issue an unqualified opinion in respect of the financial statements.</p> <p>The Chair of Audit Committee endorsed the conclusions of the External Auditors and together with the Chair of Corporation thanked the Finance Team and the Auditors for their hard work and their high-quality output.</p> <p>The Corporation reviewed and noted the External Audit Management Letter for the year ended 31 July 2021 and approved the draft Letter of Representation for signature by the Corporation on College letter head.</p> <p><u>7.3 Settlement Payments</u></p> <p>The Corporation received the summary of settlement payments to staff in 2020/21 and did not raise any questions.</p> <p><u>7.4 Annual Report of the Audit Committee 2020/21</u></p> <p>The Governance Professional presented the Annual Report of the Audit Committee which had previously been agreed by the Audit Committee and Internal Auditors.</p> <p>The Corporation agreed with the conclusion of the Audit Committee that, based on the information presented to it and subject to issues identified by the internal auditors and the external auditors being addressed, the Audit Committee was able</p>

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to give substantial assurance about the adequacy and effectiveness of the College's audit arrangements, its framework of governance, risk management and control and its processes for securing economy, efficiency, and effectiveness.

7.5 Internal Audit Annual Report 2020/21

The Corporation received the Internal Audit Annual Report provided by the College's Internal Auditors, RSM, who had completed and delivered the agreed Annual Internal Audit Plan for the year ended 31 July 2021.

The report concluded with an audit opinion that confirmed an adequate and effective framework for risk management, governance and internal control with some enhancements required.

7.6 College Tuition Fees Policy 2022/23

The College's Tuition Fees Policy had been updated for the year ending 31 July 2023 so that the College could publish it in advance as required. The Policy was deemed by management to be sufficient to allow the College to continue to be financially sustainable.

The main changes were:

- Freezing tuition fees for FE courses for adult learners on part-time courses at Level 2 and below to respond to the current economic climate and forecasts.
- Additional clarity around payment of fees; fee remission; and student withdrawal.
- Replacement of 'Deputy Principal (Finance & Resources)' with 'Chief Finance Officer (CFO)'.

Having reviewed the Fees Policy 2022/23 the Corporation approved it for publication.

7.7 HE Assurance Report

The Deputy Principal (Curriculum & Quality) requested that this item be deferred to the next meeting, which was agreed. He confirmed that it was not a statutory document, however it was considered good practice to provide assurance to the Corporation.

7.8 College Self-Assessment Report

The Deputy Principal (Curriculum & Quality) presented the report which had previously been presented to ELT and Curriculum & Quality Committee, who had agreed to change the title from 'Self-Assessment Report' to 'Evaluation of Provision' which better reflected the shift in emphasis towards the importance of curriculum intent, its implementation, content and impact.

It was proposed that the Corporation ratify the judgement that the College should be graded as 'good' for overall effectiveness. It was acknowledged from the 'outstanding' descriptors that apprenticeships needed improvement and would need to

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be either a very strong 'good' or 'outstanding' for the College to be judged 'outstanding' overall.

The assessed categories were discussed as was the importance of being open and transparent regarding the self-assessed grades so that quality improvement could be achieved by the College and demonstrated to Ofsted.

Accordingly, the Corporation agreed the self-assessed grades for the Evaluation of Provision report, noting that a clear action and improvement plan be put in place to address the areas of concern.

7.9 Safeguarding Policy

The Corporation received the updated Safeguarding Policy which had previously been agreed at the Curriculum & Quality Committee including an agreed amendment.

It was reiterated that this was considered by Ofsted to be a key document which Governors should be familiar with and understand how it is applied in the College.

The new Safeguarding Lead gave a short presentation to the Board covering her previous experience and how she hoped her skills would impact her contribution to safeguarding in the College.

The Chair thanked her and wished her every success in her new role.

22.21 8.0 Finance Reports

8.1 Management Accounts October 2021

The Deputy Principal (Finance & Resources) presented the October management accounts with the following highlights:

College Group	Likely case forecast (£000)	Likely case budget (£000)	Variance (£000)	Movement in forecast since September 2021 (£000)
Total income	33,591	34,888	(1,297)	 £160
Total pay expenditure	(19,240)	(19,677)	437	 £210
Total non-pay expenditure	(14,373)	(14,931)	558	 £233
Total expenditure	(33,612)	(34,607)	995	 £444
Operating surplus/(deficit)	(21)	280	(302)	 £283

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	<p>The total income forecast had reduced down by £160k since the last report to Corporation, mainly because of the temporary stop on new student recruitment at ASTML satellite centres and the failure to recruit a new planned cohort to the weekend BA Top-up course at Ewell.</p> <p>A likely case operating deficit of £21k was forecast at year end against a likely case budget of £280k operating surplus. Total forecast income was behind target by £1,297k (-3.7%). Total forecast expenditure was expected to be underspent by £995k (+2.9%).</p> <p>There were unrealised gains from the College's investment fund that fell below the operating line and were forecast to push a total surplus for the year to £77k. The decision made at the Finance & General Purposes Committee not to capitalise the funds being managed by Smith & Williamson was reconfirmed to the Board, although it was acknowledged that this would be continually kept under review.</p> <p>It was recognised that despite the current financial challenges outlined, the College's underlying financial health was strong. The College therefore maintained its 'out-standing' financial health status for the year to date and was projected to continue to year end.</p> <p><u>8.3 Corporation KPIs October 2021</u></p> <p>The Corporation received the October 2021 KPIs and reviewed the appropriateness of the targets, which were accepted.</p> <p><u>8.4 Progress against Strategic Objectives</u></p> <p>The Corporation reviewed progress and discussed the results and highlighted the impact and success of the CRM system, Google Classroom and Kickstarter recruitment.</p> <p><u>8.5 Strategic Risk Reports</u></p> <p>The latest Strategic Risk Register for the College had been updated at 23 November, with all changes since the last report highlighted. It comprised of 26 strategic risks (27 strategic risks at the last report) which were aligned with the College's 'strategic priorities', analysed as follows across the net risk categories. The Board acknowledged the six 'significant' risks and the actions in place to mitigate the risks.</p>
23.21	9.0 HR Update
	<p>The Director of HR informed the Corporation regarding the latest information on the Covid-19 Omicron variant and the Government recommendations for home working and wearing masks in public places.</p> <p>It was confirmed that at the time of the meeting there were no reported cases of the Omicron variant for staff or students.</p> <p>Staff had been requested to inform HR once vaccinated and those staff (and students) who hadn't been vaccinated continued to be encouraged to use the vaccination facility based in the car park.</p>

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	Staff wellbeing continued to be a focus and the changing landscape would continue to be monitored over the Christmas break.	
24.21	10.0 Reports from the Committees	
	<p><u>10.1 Finance & General Purposes Committee – Report of the Chair</u></p> <p>The Chair presented the main outcomes of the meeting held in November being the end of year accounts, the Capital Programme and a refresher on the Estates Strategy. It was reiterated that the completion of the HE Strategy was paramount to enable the Board to make important decisions that would impact the future success of the College, and which would also inform the preparation of an updated Estates Strategy.</p> <p><u>10.2 Audit Committee – Report of the Chair</u></p> <p>The Chair reported that the decisions and outcomes from the Audit Committee in December had been reported in earlier items on the agenda.</p> <p><u>10.3 Curriculum & Quality Committee – Report of the Chair</u></p> <p>The Chair reported that the main focus of the discussion in the meeting held in November was the self-assessed grades contained in the Evaluation of Provision report and in particular the Apprenticeship provision, which was discussed in detail.</p>	
25.21	11.0 Meeting Evaluation	
	<p>Being the final meeting of the Deputy Principal (Finance & General Purposes), the Chair asked Governors and staff to share their thoughts on her contribution to the College.</p> <p>In her absence the CEO/Principal sent a message.</p> <p>The Chair added his thoughts.</p> <p>The Deputy Principal responded.</p>	
26.21	Any Other Business	
	There being no further business the meeting concluded at 12.25pm.	
27.21	13.0 Date and Time of the Next Meeting	
	The next meeting will be held on Friday 28 th January 2021 at 9.30am.	
28.21	14.0 Future Meetings & Events – Spring Term 2022	
	Senior Staff Performance & Remuneration	Friday 28 th January 2022 8.30am
	FE Corporation	Friday 28 th January 9.30am
	Strategy Workshop (replacing Governor Link Day)	Monday 31 st January – times to be confirmed

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HE Sub-Committee	Wednesday 9 th February 6.00pm
Governor Scrutiny Day (intensive care)	Wednesday 23 rd February - times to be confirmed
Curriculum & Quality Committee	Wednesday 23 rd February 6.00pm
Search & Governance Committee	Wednesday 9 th March 6.00pm
Audit Committee	Friday 11 th March 9.00am
Finance & General Purposes Committee	Friday 18 th March 9.00am
FE Corporation	Friday 25 th March 9.30am

Decisions:

1. Approved the Annual Report and Financial Statements for the NESCOT group 2020/21.
2. Noted the External Management Letter (presented by the External Auditors), for year ended 31st July 2021 and approved the Draft Letter of Representations for signature by the Corporation on College headed paper.
3. Approved the Annual Report of the Audit Committee 2020/21.
4. Approved the College Tuition Fees Policy 2022/23.
5. Agreed to defer the HE Assurance Report.
6. Ratified the judgement of the Curriculum & Quality Committee that the College's self-assessed 'Evaluation of Provision' grade should be 'Good' for overall effectiveness.
7. Agreed the updated Safeguarding Policy for publication on the NESCOT website.

Actions:

1. Ratification of Succession Plan at the January Corporation meeting.
2. Develop Staff Governor reporting framework.

Signed



Date...28th January 2022...

Professor Sam Luke, Chair of the Corporation