

PRESENT*	IN ATTENDANCE
Professor Sam Luke (Chair) Peter Stamps (Vice Chair) Frances Rutter (CEO & Principal) Margaret Martin Graeme Hodge (Support Staff Governor) Jamie Roberts (Teaching Staff Governor) Chris Shortt Daksin Chandrasekera (FE Student Governor) Chris Muller Sally Pritchett Maureen Kilminster Kabir Shaikh Simon Enoch Liz Lawrence Felicity Fletcher (HE Student Governor)	Cliff Shaw (Deputy Principal, Curriculum) Maria Vetrone (Deputy Principal, Finance & Resources) Dario Stevens (Vice Principal, Planning and Information Systems) Donna Patterson (HR Director) David Round (Clerk to the Corporation)

* Attendance at the meeting = 88%

16.18	MATTERS FOR REPORT
	<p>A warm welcome was extended to the two new external governors – Liz Lawrence and Simon Enoch – who were attending their first board meetings. Felicity Fletcher, who was a teacher training student, was welcomed to her first meeting as the HE student governor.</p> <p>The Chair reminded governors of the importance of ensuring that there was robust scrutiny and challenge of College managers. All governors were encouraged to participate in discussions at the board and the inputs of staff and student governors in particular, were vital.</p>
17.18	APOLOGIES FOR ABSENCE
	<p>Apologies for absence were received from the following governors: Gloria Ozolua and Lynn Reddick.</p>
18.18	DECLARATION OF INTERESTS
	<p>The Chair reminded Members to declare any interest they may have in any of the items on the agenda. Frances Rutter, Professor Luke, Chris Muller and Peter</p>

Stamps declared their interest as unremunerated directors of NBS, which it was noted was being closed down. 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.

19.18	MINUTES
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The minutes of the meetings held on 05 October 2018 were approved as a correct record.

20.18	MATTERS ARISING
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The matters arising report (Appendix C) from the previous minutes and other items carried forward were received and noted. Other matters of report were: -

70.1 Principal’s Report – ESFA minimum standards notice of concern. – The Deputy Principal reported that current the apprenticeship outcomes that had given rise to the notice of concern were now significantly above the minimum standards and that the ESFA had indicated that they no longer had concerns.

10.1 Management Accounts as at July 2018 – F&GP and the Corporation had previously noted the considerable financial pressures on the College arising from LGPS pension liabilities. Initial steps were being taken to establish alternative affordable pension arrangements for a small number of staff engaged in College commercial projects, which were being reported to F&GP.

12.1 Governor Impact and Link Scheme – The Clerk requested that governors send through further examples of where there had been a positive impact on student outcomes via their link visits so they could be added to the governor impact position paper.

21.18	GOVERNOR LINK VISITS: FEEDBACK AND REPORTS
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21.1 Governor link visit to Animal Studies and Catering

Chris Shortt commented on his link visit to Animal Studies and Catering and referred to the pre-visit data and contextual pack provided and his written report. Mr Shortt met management and teaching staff, visited classes and had discussions with students. He was particularly impressed by the embedded English and numeracy teaching sessions where students were taught percentages in a vocational context. The overall impression was of engaging teaching and students who appeared to enjoy what they were doing. Students were polite and well behaved. In an estates class students were found to display ‘a real sense of purpose where they can look back and say I helped build that. They were proud to show off their handiwork’.

The areas of curriculum development targeted by the team were noted.

<p>21.2 Governor link visit to Sport and Public Services</p>	<p>Governors received and noted the visit report and pre-visit data and contextual pack from Mr Stamps’s visit to the Sport and Public Services department. Mr Stamps met management and teaching staff, visited classes and spoke to students. The report noted the professional behaviours shown by students. Picking up on comments made at the last inspection, Mr Stamps commented on the actions taken by the teaching team where a student had not arrived to class ready to learn and the impact of those interventions. Students were well-behaved but not all students were wearing lanyards. Mr Stamps commented in his report that ‘student feedback was good; they were enjoying the lessons and appreciated the more mature relationship between students and teaching staff than they had experienced at school. Several of them had been keen to go to college rather than stay at 6th form. They had attended an open day and had come away with a good impression that NESCOL was where they wanted to study. Some students already had plans what they wanted to do after NESCOL.’</p> <p>The reasons for the decline in high achievement last year were noted including the changes in senior leadership roles in the Sports department. Actions that had been taken to effect improvement.</p> <p>Governors commented positively on the pre-visit data and contextual information provided. They asked what can they do to assist further: there was a discussion about the potential to develop the sports hall and facilities further but it was noted that these were linked to wider estates development matters.</p>
<p>22.18</p>	<p>SAFEGUARDING, PREVENT AND HEALTH AND SAFETY¹</p>
<p>Governors reviewed the standing agenda item report on safeguarding, PREVENT and Health and Safety presented by the Deputy Principal. The growing incidence of mental health difficulties experienced by students had led the College to strengthen the support available to students in this area. The Mental Health Nurse will now report into the Safeguarding Team (currently Learning Support) to ensure that students can access these key services as part of a more holistic support service. Many of the mental health referrals are also safeguarding cases and by bringing the services together it strengthens the service.</p>	

¹ Standing item

The latest case load data was noted and the status and anonymised details of current red cases were reviewed including a suspected PREVENT issue which had been referred to the Multi Agency Safeguarding Hub (MASH).

Item	Number
Number of referrals (2018)	104
Number of referrals (2017)	151
Red category referrals	8
Amber category referrals	14
Green category referrals	28
Closed referrals	46

Governors asked whether there was data available to compare the number of referrals between NESCOL and other colleges. It was commented that although published data was not available, colleges did operate within formal and informal networks and it was thought likely that NESCOL's case load was probably much lower than other colleges in London, for example. External governors asked student governors whether, in their view, all students knew how to refer a safeguarding concern. The FE and HE student governors confirmed that it was their view that students were aware of how to make a referral; there was considerable publicity material on this topic around the College. Staff governors commented on the role of tutors in terms of safeguarding referrals.

The Deputy Principal provided a verbal update on the student exclusion and a suspected forced marriage case. The student is being supported, advised and monitored through the relevant agencies and the College.

RESOLVED: that the report on safeguarding be noted.

23.18

STUDENT MATTERS

Student governors reported on matters relevant to FE and HE students.

The FE student governor presented a report highlighting the following areas: -

- A suggestion that tutorials should be shorter in length and conducted more on a 1-2-1 basis where possible.
- There were benefits in vocational tutors being directly involved in tutorials in addition to specialist Progress coach team members.
- Access to the sports hall and gym should be free to students and open longer.
- More use could be made of classrooms to provide quiet areas for study for students in break times.
- The arrangements for security checks could be strengthened i.e. through the use of sniffer dogs.
- The NESCOMMS app was a great tool but much more could be made of it to raise its usage and profile with students e.g. pre-payment and ordering of food and drinks in the refectory.

The Chair thanked Mr Chandrasekera for the honesty and detailed feedback in his report. Governors highly valued the feedback from student governors and whilst it wasn't always possible to provide everything requested, the management of the College would always respond and where it wasn't possible to accede to all requests, to explain the reasons why.

The Principal and other members of the senior management team responded noting that overall feedback on the impact of the new Progress coaches had been positive but it was recognised that more could be done to ensure greater consistency. The Director of Tutoring was giving focus to this area this year. There was variability in the take-up of NESCOMSS in some curriculum areas but some departments were making extensive use of it to enhance curriculum delivery i.e. Animal Studies. The developers of NESCOMMS were using NESCOT as a case study for its use in the sector nationally. Some of the feedback from students was that the current usage of NESCOMMS focused too much on promotional matters. It was also noted that the suggestions regarding the use of NESCOMMS for pre-payment and ordering had been passed onto the developers.

The comments on security checks were well made but it was pointed out that Police sniffer dog resources were very stretched in Surrey and Sussex and the hire costs were considerable. The College had a good working relationship with Surrey Police and encouraged them to be seen around the College. The sports hall had recently benefited from major investment in the lighting and flooring and the gym and its equipment was due to be completely upgraded. The current student package for gym membership was a very attractive one. It was also noted that the contractual agreement with the current catering suppliers expired in 2020 and that the College would be reviewing arrangements going forward.

The HE student governor fed back very positively about the experience of higher education students at NESCOT. The induction provided to new students had been excellent and the support from the LRC including the academic writing skills tutorial was highly valued by students. Students felt that the College didn't always have the right marketing in place to promote its HE offer and some students found out about the College's courses at higher level almost by chance.

The Chair urged the College to 'socialise' its marketing by maximising the use of social media.

24.18

STAFF MATTERS

The support staff governors thanked the HE student governor for the positive feedback about the LRC and study skills support. The other area of feedback concerned the layout of the student refectory and whether there were opportunities to provide more attractive student 'social' space for students.

25.18

STRATEGIC REPORTS

25.1 Principal's Report

The Principal drew attention to the AoC's latest briefing which discussed the financial pressures facing the FE college sector.

25.2 'NESCOT 2023' Strategic Plan

The meeting was advised that the latest 5 year strategic plan required formal approval by the governing body. Governors had reviewed the draft plan in detail at the Corporation conference held on 30 November. There was a clear vision statement and 6 short key priorities viz.

1. Outstanding teaching, learning and assessment in an inspirational and safe environment.
2. Stability and growth.
3. Helping our students to develop the skills, attitudes and qualifications they need to succeed at work.
4. Engaged with employers and other organisations to offer courses that are innovative, relevant, and in demand.
5. Developing strong relationships with schools and community groups to give clear information, advice and guidance.
6. To be an employer of choice.

The supporting sub-strategies had been discussed at the November Corporation conference.

RESOLVED: that the 'NESCOT 2023' strategic plan be approved.

25.3 Student Recruitment Strategy

It was noted that the Finance & General Purposes Committee had requested that the Principal develop a strategy to address the worrying recruitment situation which, it was agreed, would be presented to this meeting of the full Corporation.

A detailed paper was presented to governors regarding significant trends in student recruitment at the College over the past 3 years. It was noted that the college had experienced a decline in recruitment of 16-18 year olds since 2014 when the college experienced a dip of 138 students, which coincided with the commencement of the capital build programme. College numbers increased again in 2016 when most of the substantive building works had finished and has experienced a gradual increase until 2018 when numbers declined by around 130 students. Applications for 2018 entry had declined and management intervention took place to commission an external consultant to help increase recruitment and conversion. However, despite this intervention, which greatly increased publicity for NESCOT over the summer months, conversions of new students and internal progression rates both decreased as shown. Conversion for new 16-18 FE students declined from 64% to 61% and internal progression from 68% to 64%. It was also noted that whilst 16-18 enrolments had dipped, the enrolment of other age categories

had increased significantly. Enrolment of 19+ AEB students had increased from 2,759 in 2015/16 to 3,432 in 2017/18. The number of 16-18 apprentices had increased from 336 to 449 over the same period; the number of 19+ apprentices had also increased from 823 to 1,220.

This was against a backdrop of a demographic decline in the numbers of 16-18 students nationally and in the local area. The demographic trajectory would change in 2020 when the current 'bulge' of school pupils reach 16. These projections were based on robust statistical datasets produced by Surrey County Council.

The Principal, however, emphasized that the College was not placing reliance upon these demographic shifts. It had put in place a range of measures to address the decline in 16-18 numbers. These strategies included: -

- Improving the engagement of local schools through enhanced schools liaison activity
- Innovative initiatives with local schools to provide more visible pathways from secondary school to NESCOL i.e. the Blenheim 14-16 vocational scheme.
- Strengthened community engagement including after school and Saturday clubs designed to engage young people.
- Involvement in the National Citizens' Service programme.
- The development of a NESCOL presence in Epsom Ashley Shopping Centre to provide IAG, showcase NESCOL courses and deliver short courses. In this connection the Principal had joined Epsom Business Improvement District.

Governors asked how the College ensured that its curriculum was responsive to employers' needs. This was an important aspect of Ofsted's assessment of the effectiveness of the College. The Deputy Principal (Curriculum) commented that the College wasn't always able to work quickly enough to respond to changes in demand. He noted the extensive use of glass fabrication in the many new construction projects in the capital yet the College's construction course offer largely concentrated on the traditional trades. The College had revised the timetable and improved the software tools used for curriculum planning this year to make it more responsive to local needs. The Principal spoke about the opportunities to engage with other sectors such as utilities and the College

**5.4 Self-
Assessment
Report (SAR)**

was having discussions with large companies to meet business need in this sector. The Principal was joining the Employment Skills Board of the Coast to Capital LEP. This would provide invaluable intelligence about business needs in the region and open up many exciting opportunities for the College to work with employers.

Governors discussed marketing messaging and IAG noting that the College's emphasis should be to market and sell careers and jobs rather than courses. Impartial careers advice in schools was variable and it was sometimes difficult to ensure that young people in schools received advice about vocational and apprenticeship pathways in colleges. It was positive to report that the College was now attending parents' evenings and careers options events at local schools: for example, the catering department had attended a schools careers event and had attracted considerable interest by putting on catering demonstrations. Governors emphasised the critical importance of the College's engagement with schools and to ensure that our presence at events had impact with young people.

RESOLVED: that the report on student recruitment be noted.

Following detailed review at the recent meeting of the Curriculum and Quality Committee, the draft SAR was presented to the board for approval. It was noted that 3 governors had participated in the SAR validation panel meetings in November: their inputs had been very valuable and appreciated by the College. It had contributed to the effective challenge and scrutiny of College managers responsible for curriculum quality and student outcomes.

The Chair of Curriculum and Quality Committee commented on the SAR noting that the main performance 'hot spots' were English and maths GCSEs/Functional Skills, 16-18 in-house apprenticeships and value added indicators. The data for English and maths GCSEs showed that high grade results were just below national average for English and above for mathematics. English GCSE high grade results had improved by nearly 10% compared to 2016/17; however maths GCSE high grades had fallen by nearly 13% but remained above the national average. Results in Functional Skills have not improved significantly over the past 3 years: 16-18 (-3.9%); adults (-10.8%) but expected to be above average when results are updated. The college had received a number of late further adult (19+) functional skills achievements which did not make the final ILR which it was expected would improve

	<p>the outturn position. The college hopes that the ESFA will agree to include the updated data in the December ILR.²</p> <p>Governors commented that some curriculum areas were having more success in engaging their students in English and maths. They noted that in some areas there appeared to be more of a determined management focus to ensure that their students focused on all parts of their study programmes. The strategies being used in the successful areas should be copied and a more consistent approach was required across the College. College management also needed to secure the full buy-in of vocational tutors.</p> <p>The Deputy Principal said that there was a clear need to give full focus to Functional Skills achievements which should be higher and improving. They appeared not have been on the College's radar possibly because of the focus on GCSE English and maths.</p> <p>It was noted that there had been a discussion of the issues in apprenticeships as highlighted in the recent internal audit report. Decisive management action had been taken and the results were starting to be seen although the proposed SAR grade for apprenticeships of requiring improvement reflected the recent quality and leadership and management issues.</p> <p>The board noted that the Chair of Curriculum and Quality Committee was comfortable with the proposed improvement strategy and the plans in place to achieve the objectives.</p> <p>The assessment of the quality of teaching, learning and assessment at the College in 2017/18 summarised the areas of key strength as being that: -</p> <ul style="list-style-type: none"> • Most vocational areas perform strongly and have high achievement • Very high achievement for apprenticeships with partner performance included • High performing partners with consistently high achievement • Skills development very strong (standards and work readiness), students develop and apply high standards of skills and technical knowledge
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² Clerk's postscript: the effect of the late submissions increased FS achievement rates as follows: (i) 16-18 functional skills rate from 58.8% to 59.4% (58.7% in 2016/17, 62.7% NA); (ii) 19+ functional skills rate from 71.9% to 83.1% (88.8% in 2016/17, 75.7% NA); (iii) Overall functional skills from 69.6% to 78.2% (78.8% in 2016/17, 68.2% NA).

**25.5 FE
Commissioner
Reports**

- Vocational only qualifications perform well, with the vast majority having high achievement
- Progression rate of students into apprenticeships and jobs are very strong
- High needs students' achievement is high
- Adult distance learning achievement is high
- Teaching, learning and assessment are good
- High levels of student satisfaction (FE Choices)

The key areas for improvement were identified as:

- Nescot's own 16-18 apprenticeships has low achievement rates which have not improved over time
- Functional skills level 1 has low achievement and this has not improved over time
- Attendance at English and maths classes is too low
- Value-added is low on too many level 3 courses that are in scope
- Student voice is underdeveloped

The proposed SAR grades, as recommended by the Committee, were as follows: -

Overall effectiveness: Good

Aspect: leadership and management: Good

Aspect: outcomes for students: Good

Aspect: teaching, learning and assessment: Good

Aspect: personal development, behaviour and wellbeing: Good

Curriculum type: high needs: Good

Curriculum type: apprenticeships: Requires improvement

Curriculum type: 16-18 study programmes: Good

Curriculum type: adult: Good

RESOLVED: that the Self-Assessment Report for 2017/18 be approved.

The Clerk presented a summary of recent intervention reports and the annual report of the FE Commissioner. The Clerk noted that the Corporation benefited from the reports by

- Drawing governors' attention to the FE Commissioner's intervention reports following serious institutional failures in the further education sector.
- Summarising the reasons for the failures and relevant strategic themes.

	<ul style="list-style-type: none"> • Drawing upon the reports to reinforce NESCOL's commitment to a self-critical and informed review of governance performance <p>Themes of recent intervention reports included</p> <ul style="list-style-type: none"> • Financial mismanagement including over-reliance on subcontracting • Failure to hit financial growth targets leading to a diverting focus on mergers and acquisitions. • Over-ambitious capital development strategy • Poor governance standards • Lack of proper scrutiny by governors • Lack of proper scrutiny by governors • Poor risk management • Lack of transparency at Board level • Poor management information • Slow pace of change in response to financial challenge • Instability in leadership and management <p>The board also noted the following statement in the FE Commissioner's annual report:</p> <p style="padding-left: 40px;">'While each college my team and I visit is different, and the reasons that they need support may vary, there are clear actions that all colleges can take to put themselves on a solid footing. Colleges need to ensure they have a costed curriculum plan, setting out margins by course, and boards need clear and accurate management information to support this. The board should have a clear focus on teaching, learning and assessment, and have a clear mission that the organisation understands, which provides context for all board decisions. Furthermore, college boards need to be realistic, particularly about forecasted revenue, and have the right expertise to do this; and governors need to have the strength and expertise to challenge robustly.'</p> <p>RESOLVED: that the FE Commissioner report be noted.</p>
26.18	COMPLIANCE REPORTS
26.1 Annual Report and Financial Statements 2017/18; 26.2 Management letter of the	<p>The draft Annual Report and Financial Statements for 2017/18 were presented to the Corporation following detailed scrutiny by the Finance and General Purposes Committee and by the Audit Committee in terms of the regularity aspects. The presented report and accounts reflected amendments agreed by the committees. The Corporation was required to approve the annual report and accounts and to recommend that the</p>

external auditors; 26.3 letter of representations; 26.5 Annual Report of the Audit Committee.

Chair and Accounting Officer sign the statements and associated documents.

The Deputy Principal (Finance and Resources) gave an introduction to the accounts. The College outturn position was that of a net surplus of £26k against a budgeted surplus of £14k. It was noted, however, that although the overall financial position of NESCOL College continues to be strong, the NESCOL Group results for the year deliver an operating deficit of £800k. NBS received a cash dividend payment of £328k from NCL in 2016-17, which allowed a surplus to be shown in the 2016-17 Group accounts. The College's share of the remaining assets of NCL was £428k with a sale price of £1. With the sale being completed in 2017-18, the loss on investments on disposal of £428k materialised in 2017-18 and are recognised in the Group accounts. In addition, NBS paid Capital Gains Tax of £70k. The cash payment of £328k received by the College this year was paid by NBS as a donation from reserves earned in 2016-17 and is therefore income to the College but not income to the Group this year, and is therefore removed on consolidation in 2017-18. The total of these transactions is £826k and represented in the consolidated statements as the movement between the College surplus of £26k and the Group loss of £800k.

The College's ESFA financial health status remained 'outstanding'. The College had met all of its ESFA KPI targets, except reliance on ESFA income. The College had also met most of its KPIs in the finance strategy, except for the achievement of a surplus of 3% on income.

The board noted the management letter of the external auditors which stated that 'We expect to issue an unqualified audit opinion in the financial statements.' The audit found no other issues that had to be brought to the attention of governors and there were no matters brought forward from the previous year. The External Auditors raised one internal control recommendation relating to the absence of documented review and sign off of the July 2018 credit card statement and that statements must be reviewed and signed off in accordance with College procedure. The recommendation has been accepted by management and implemented with immediate effect.

The Annual Report of the Audit Committee signed by the Chair of the Committee was noted.

<p>26.6 Post-16 Audit Code of Practice (ACOP) Regularity Questionnaire</p>	<p>RESOLVED: that the Chair and Principal be authorised to sign the Annual Report and Financial Statements of NESCOL FE Corporation for 2017/18 and letter of representations on behalf of the Corporation.</p> <p>Section 46 of the Post-16 Audit Code of Practice ('the Code') 2017 states that: 'To support college corporations in drafting the statement on regularity, propriety and compliance, ESFA will publish a self-assessment questionnaire. This will provide clarity over the framework, including the interpretation of the key requirements and the type of evidence that should be considered.' The questionnaire provides assurance to the Corporation.</p> <p>The Corporation noted that the College's external auditors had reviewed the completed Post-16 Audit Code of Practice regularity questionnaire as part of their annual audit of the 2017/18 annual report and financial statement. The auditors had found no issues in their review. Following discussion at the meeting of Finance and General Purposes Committee held on 07 December had approved the Principal (Chief Accounting Officer) and the Chair to sign the regularity questionnaire in advance of the meeting of the Audit Committee and the Corporation.</p>
<p>26.7 Settlement Payments</p>	<p>RESOLVED: that the regularity questionnaire be noted.</p> <p>It is a requirement of the ACOP that the regularity questionnaire includes confirmation that 'the corporation shall demonstrate that payments in respect of termination are regular, value for money and avoid spending funds on settlements where disciplinary action would have been more appropriate'. Where settlement agreements are made the College is required to demonstrate that it has taken appropriate professional advice; approved the terms of any final agreement; and brought all settlements to the attention of the reporting accountant. Finance and General Purposes Committee reviewed the schedule of settlement payments at its meeting held on 07 December; the Corporation was presented with a copy of the schedule of the schedule.</p> <p>RESOLVED: that the Corporation notes the schedule of settlement payments, the role of F&GP in reviewing the schedule and assurances provided by the College.</p>
<p>26.8 Internal Audit Annual Report</p>	<p>RESOLVED: following review by the Audit Committee at its meeting on 7th December 2018, the annual report of the internal auditors be noted</p>

<p>26.9 Sub-contracting supply chain, Fees and Charging Policy</p> <p>26.10 College Tuition Fees Policy 2019/20</p> <p>26.11 HE Assurance Statement</p>	<p>RESOLVED: following review by Finance and General Purposes at its meeting on 7th December 2018, the Subcontracting supply chain, Fees and Charging policy be approved.</p> <p>RESOLVED: following review by Finance and General Purposes at its meeting on 7th December 2018, the College tuition fees policy for 2019/20 be approved.</p> <p>The Board confirmed the following written resolution circulated by email on 01 December 2018.</p> <p>RESOLVED: that NESCOL Corporation through delegations to the Curriculum and Quality Committee has received and discussed a report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes. This included evidence from the provider's own periodic review processes, which fully involve students and include embedded external peer or professional review.</p> <p>The methodologies used as a basis to improve the student academic experience and student outcomes are, to the best of our knowledge, robust and appropriate.</p> <p>Members of the Governing Body are requested to give their assent to this resolution in the form of an email to the Clerk of the Corporation.</p> <p>If passed, this resolution shall be confirmed at the next meeting of the Corporation.</p>
<p>27.18</p>	<p>FINANCE MATTERS</p>
<p>27.1 Management Accounts, October 2018</p>	<p>The Corporation received the management accounts as at 31 October 2018. The accounts had been scrutinised by F&GP at its December meeting. The Deputy Principal (Finance and Resources) drew attention to the year-end forecast which was for a deficit of £41k against a break-even budget (£nil); this was the best case scenario. The 'likely case' was for an operating deficit of £291k. The significant variances against the budget were noted (net £375k) which were: -</p> <p>Positive variances</p> <ul style="list-style-type: none"> • additional £1m of HE tuition fees generated by ASTM • additional high needs recharging from local authorities of £404k

<p>27.2 Corporation KPIs and proposed targets 2018/19</p> <p>27.3 ESFA Assessment of Financial Statement and Dashboard</p>	<ul style="list-style-type: none"> • additional 16-18 non levy apprenticeship funding of £326k <p>Negative variances</p> <ul style="list-style-type: none"> • 19+ apprenticeship levy and non-levy income of £1.03m • HE tuition fees of £203k • full cost fees of £129k <p>A financial delivery plan was in place, focusing on cost control/reductions and income maximisation.</p> <p>Governors' attention was drawn to the significant budgetary pressures which would be faced by the College next year:</p> <ol style="list-style-type: none"> 1. Loss of AEB income because of budgetary devolution in the combined authorities (-£1.5m) 2. Loss of 16-18 income because of under-recruitment in the current year (-£800k) 3. LGPS increased liabilities 4. Teacher Pension Scheme liabilities (-£750k) <p>Governors commented that these challenges would mean that the College would need to explore ways of doing things differently. The Principal noted that the College apprenticeship model was expensive compared to private training providers.</p> <p>RESOLVED: that the management accounts for October 2018 be noted.</p> <p>RESOLVED: that the Corporation KPI targets for 2018/19 be approved.</p> <p>The KPI scorecard for October 2018 was noted.</p> <p>The Corporation noted the key points emerging from the ESFA financial assessment of the College: -</p> <ul style="list-style-type: none"> • Although the College's financial health grade is 'outstanding' for 2017-18 and 2018-19, some of the College's financial indicators continue to deteriorate. These include operating surplus and cash reserves. • For 2016-17, only around 25% of colleges were assessed as financially 'outstanding' based on financial results, expected to reduce to less than 20% in 2017-18 and in 2018-19. • The College's financial planning is robust, with accurate forecasting demonstrated from the submission of financial plans and financial returns.
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<p>27.4 Strategic Risks Report</p>	<ul style="list-style-type: none"> • The College has experienced a decline in 16-18 learner numbers since 2014-15. The decline was reversed in 2017-18 with small increases in student numbers although these are expected to decline again in 2018-19 to 1,631 (October 2018 management information). • The College is still heavily reliant on ESFA funding, although other sources of income are increasing (ie from full cost provision, learner loans, and commercial activities). • The College performs strongly for solvency, with short term assets easily able to meet short term liabilities; and a healthy level of cash days in hand. • The College's profitability and cash generation is in decline, although still 'outstanding' against sector benchmarks. • Staff costs as a proportion of total income have increased significantly since 2016-17 and are now above the sector benchmark. Financial plans show staff costs continuing to be high and above sector norms. • The College has no borrowings or debt. <p>Following scrutiny by the Audit Committee at its meeting on 7th December, the Corporation noted the updated strategic risk register.</p>
<p>28.18</p>	<p>REPORTS FROM COMMITTEES</p>
<p>28.2 Curriculum and Quality Committee</p>	<p>The minutes of the Curriculum and Quality Committee meeting held on 03 December 2018 were noted.</p>
<p>28.2 Finance & General Purposes Committee</p>	<p>The Chair of the Committee presented the minutes of the meeting of the Finance and General Purposes Committee held on 07 December 2018. Attention was drawn the need to ensure expenditure on disabled access.</p>
<p>28.3 Audit Committee</p>	<p>The Chair of the Audit Committee presented the minutes of the meeting held on 07 December 2018. She drew attention to the discussion regarding the recent IT issues at the College and noted that an independent review had been commissioned from the College's internal auditors. IT was a key and high risk issue for the College. Reflecting this level of risk, it was proposed that a governor be assigned to the IT support area to provide additional oversight (ACTION: Clerk).</p>
<p>28.4 Growth Committee</p>	<p>The minutes of the meeting of the Growth Committee held on 26 November 2018 were noted.</p>

<p>28.5 Search and Governance Committee</p>	<p>The minutes of the meeting of the Search and Governance Committee held on 05 October 2018 were noted.</p>
<p>29.18</p>	<p>GOVERNANCE MATTERS</p>
<p>29.1 Board Effectiveness</p>	<p>The Corporation received a report from the Clerk following referral by the Search and Governance Committee</p> <ul style="list-style-type: none"> • To review feedback from the governors’ self-evaluation online survey conducted in the summer 2018 including comments from Search and Governance Committee who reviewed the results in their October meeting. • To identify action points arising from the feedback to be included in the annual governance improvement plan. • To summarise any actions points arising from the membership and skills audit reviews undertaken by the Search and Governance Committee <p>The key areas of strength and areas of development arising from the governors’ self-evaluation survey were noted. The main action points arising from the survey and other discussions about board effectiveness including the recent Corporation conference were: -</p> <ul style="list-style-type: none"> • To present more succinct papers for governors, whilst ensuring that there is sufficient information to allow challenge and scrutiny of senior leaders and managers. • To provide more opportunities for governors to discuss wider strategic issues and undertaken horizon scanning. • To remind governors of their role in terms of presenting challenge and scrutiny to College leaders and managers and to provide appropriate training and development to support governors in this regard. • To give a focus to matters relating to employer engagement in Corporation discussions. <p>The Clerk was tasked with updating and progressing the governance improvement action plan (ACTION: Clerk).</p> <p>Reflecting advice from the FE Commissioner, the Search and Governance Committee would initiate a search for suitable</p>

<p>29.2 Meeting Evaluation</p>	<p>new governor candidates who are qualified accountants (ACTION: Clerk).</p> <p>RESOLVED: that the board effectiveness report be noted.</p> <p>Governors collectively reviewed the effectiveness of the meeting and the performance of the board in providing effective scrutiny and challenge and meetings its responsibilities. Governors commented as follows: -</p> <ul style="list-style-type: none"> • The meeting was probing and challenging • The level of scrutiny and challenge was good with an impressive level of detail in reports and discussion. • The Committees worked effectively to provide scrutiny and detailed challenge on relevant matters. • The inputs from the student governors were very impressive and demonstrated their commitment to the College. • The meeting had identified the emerging ‘hot spots’ – the Board should ensure that there is space created for detailed discussion of the financial challenges facing the College and also the effectiveness of the College’s marketing. • There was a good level of debate and all members contributed well in the meeting.
<p>30.18</p>	<p>DATE OF NEXT MEETING</p>
<p>The next meeting of the board would take place on 08th February 2019 at 09.00.</p>	
<p>31.18</p>	<p>ANY OTHER BUSINESS</p>
<p>There was no further business and the meeting closed at 11.50.</p>	

Signed

Date

Professor Sam Luke, Chair of the Corporation

Author	David Round
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