



**MINUTES OF THE NORTH EAST SURREY
COLLEGE OF TECHNOLOGY FURTHER
EDUCATION CORPORATION HELD ON
FRIDAY 07 JULY 2017 AT 10.00, SKILLS
PARK BOARD ROOM**

| PRESENT* | IN ATTENDANCE |
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| Professor Sam Luke (Chair) Dr Martin West Chris Muller Frances Rutter Catherine Biscoe ¹ Gloria Ozolua Avril Lawrence Graeme Hodge (Support Staff Governor) Maureen Kilminster | Carol Martin (Deputy Principal) Dario Stevens (Vice Principal, Planning and Information Services) Maria Vetrone (Deputy Principal, Finance & Resources) Donna Patterson (Director of HR) David Round (Clerk to the Corporation) |

* Attendance at the meeting = 53%

| 82.16 | MATTERS FOR REPORT |
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| <p>The Chief Executive and Principal advised the meeting about the recent tragic death of Alfie Viccars, a construction student at the College. Tribute was paid to Alfie who was a well-liked, conscientious and able student. The College was in close touch with the parents of Alfie and was providing appropriate support to members of staff who had been affected by the tragedy.</p> <p>The launch of the Epsom and Ewell Enterprise Awards had taken place before the Board meeting, with the Chair and CEO in attendance. The meeting had been well-attended by business leaders and by the Rt Hon Chris Grayling MP. The College was sponsoring a new award in digital technology and the event had successfully showcased the College.</p> <p>The Chair placed on record his thanks and that of the Board to the retiring student governors Josh Spooner, Delores Appiah, Michael Inderbitzin-Stone and Mike Broadbent. Their contribution to the work of the Corporation had been hugely impressive and the board would miss their insightful contributions, challenge and effective articulation of the student voice. The Clerk advised that three new student governors had been nominated by the student body.</p> <p>The Chair also thanked Ms Avril Lawrence who was attending her final Corporation meeting after four years of excellent service including her work on the Curriculum and Quality Committee.</p> | |

¹ Left the meeting at 12.00.

Today was also the final meeting of Mr Lance Finn, the teaching staff governor whose period of office was ending. The Chair extended his thanks and that of the Board to Mr Finn for his valued contribution to the Corporation.

Governors fed back on their recent curriculum link visits: -

1. Chris Shortt: visit to Construction (written report).

Noted:

- There are opportunities to increase cost recovery income from Gas courses by developing facilities for commercial gas training. It was likely that the most cost effective solution would require relocation within the campus because of the costs of installing an upgraded gas supply.
- The department had experienced curriculum growth in electrical, plumbing and carpentry; brickwork numbers are holding their own but plastering is experiencing a significant decline in interest from students.
- A review of curriculum is required to ensure alignment of the offer with industry needs.

2. Gloria Ozolua: visit to Foundation Learning

The key items of feedback were: -

- The department was successful with excellent achievement rates, high levels of student satisfaction and good internal progression.
- The biggest challenge was in providing students with progression into sustainable employment. The Governing Body could assist in this regard by using its networks and contacts to encourage businesses to consider supported internships for NESCOT Foundation Learning students.
- The department was recruiting increasing numbers of students with high needs and also challenging behaviour.
- A new and exciting programme to be offered next year was The Prince's Trust. This was a first for NESCOT and would expand the offer, providing a very useful pathway for some students.

The CE & Principal commented that the College was working with the RAC to establish a number of supported internships for FL students. Epsom Hospital had taken on NESCOT FL students in the past. Avril Lawrence encouraged the team to explore the 'Realistic Opportunities for Supported Employment (ROSE) Programme' (**ACTION: CMa**).

3. Chris Muller: visit to English and Maths

The report highlighted

- the challenges not only of student attendance at English and Maths GCSE classes but also of attendance at examinations. The active support of the vocational curriculum areas was required.
- The Head of English agreed that there needed to be a policy to return students' work with feedback more quickly: the current policy of three weeks was too long.
- Engagement with parents was a key strategy. Tutors should send individualised communications (email/SMS) to parents to praise students for excellent work. This would encourage students and develop their confidence in a subject where they sometimes lacked confidence.

(ACTIONS: CMA)

The Deputy Principal noted that the Parents' Portal had been piloted this year. The Portal sends online alerts to parents. The system was being rolled-out next year along with a new social media platform linked to the management information system to provide more direct feedback to students and parents.

4. Maureen Kilminster: visit to Business and Travel and Tourism

It was fed back that students were happy with their programmes, said that the course would help them into employment and they were all confident about progressing into employment. Discussions with the teaching teams highlighted the frustration that tutors had with the new BTEC regulations that restricted the feedback that they could give to students. This did not apply to formative assessments. There was some disappointment expressed by staff about the change to the end of term arrangements and particularly the staff BBQ.

The Principal explained the interim arrangements that had been put in place this year because of the building work.

The Chair thanked Governors for responding so positively this year to the Governor link scheme. It had proven to be very successful and helpful to Governors and the College. The scheme would be continued next year.

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| 83.16 | APOLOGIES FOR ABSENCE |
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Apologies for absence were received from Peter Stamps, Chris Shortt, Lance Finn, Lynn Reddick, Delores Appiah, Josh Spooner, Michael Inderbitzin-Stone and Michael Broadbent.

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| 84.16 | DECLARATION OF INTERESTS |
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The Chair reminded Members to declare any interest that they may have in any of the items on the agenda. Frances Rutter declared her interest as an unremunerated director of NCL and NBS. Professor Luke, Chris Muller and Avril Lawrence declared their interest as unremunerated directors of NBS. Maureen

Kilminster noted her position as the previous Principal of Brooklands College and a trustee of Surrey Lifelong Learning Partnership.

85.16

MINUTES

The minutes of the meeting held on 19 May 2017 were approved as a correct record.

86.16

MATTERS ARISING

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

72.17 Student Matters

At the previous meeting student governors had requested that an ATM be provided in the Skills Park Reception. This had now been investigated and the Deputy Principal (F&R) reported that the College had been advised this would be prohibitively expensive and would require significant works to the Skills Park including altering underfloor heating and reinforcing walls etc. Consideration would be given to whether it might be relocated to the Undercroft or Refectory.

Other matters referred by the student governors were (i) the promotion of clubs and societies at the College; and (ii) the utilisation of course representatives to promote its courses via social media etc. The College reported that £39k had been allocated to the promotion of student 'enrichment' next year and that Graeme Hodge would be working with the incoming student governors and the student body generally to take this agenda forward (**ACTION: GH**).

74.16 Safeguarding, Prevent and Health and Safety

A full report with a detailed trend analysis of referrals is included at agenda item 8.

77.2.16 Curriculum and Quality Committee re English and Maths

The Committee recommended that links be made with Surrey schools offering the new 9-1 GCSE. The Deputy Principal reported that the 4 Surrey GFEs are collaborating on this area and a number of CPD sessions are taking place.

67.17 Governor CPD – Supporting Governors on questions of Teaching, Learning and Assessment

It was reported that the actions arising out of the National Leaders of Governance input at the last two Board meetings would be: -

- 'Deep dive' reviews of key risks to the College through the relevant Committees. The paper on Operational Plan Monitoring and reporting provided details of these.
- The Principal was collating key actions arising from these sessions and the Corporation Conference and building them into the strategy review.

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| 87.16 | STUDENT MATTERS |
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There were no student matters.

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| 88.16 | STAFF MATTERS |
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Staff matters reported were: -

- The business support staff governor was meeting on a scheduled basis with the Principal.
- Following discussion at the Staff Consultative Committee and in other forums, the College was developing the NESOT Community Charter which would set-out clear expectations in terms of student behaviour, the responsibility of staff to enforce behaviour standards, students' preparedness for learning etc.
- The re-launch of the Staff Consultative Committee had led to a number of staff wanting to join the group.
- Staff would like to see positive messages about our students by nominating a class of the week, student of the week and displaying these around the College including on the large TV screens in reception.
- Attendance at the recent new students' induction day had been very good which was encouraging for next year.
- The business support staff governor welcomed the Principal's suggestion that business support staff be named as 'Professional staff' going forward.
- Whilst it was recognised that the College was under considerable financial constraint it was becoming clear that we were losing experienced and talented staff. Ways were needed to be found to invest in high quality staff and recognise and reward staff.
- It was pleasing to report that the Principal's door was open.

The Principal reported that the College was looking at a scheme to recognise staff who gave exceptional service.

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| 89.16 | SAFEGUARDING, PREVENT AND HEALTH AND SAFETY² |
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At the previous meeting of the Board it had been requested that a scrutiny report be presented with comprehensive trend data about safeguarding referrals including

² Standing item

the 'Other' category to support a Board review. The Deputy Principal presented a detailed report, the largest categories of referral being

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| Mental Health | 21% |
| YOT/LAC/CP/YC* | 19% |
| Suicide/Self Harm | 17% |
| Bullying and Harassment | 11% |

* YOT- Youth Offending Team; LAC - looked after child; CP - on Child Protection plan; YC - young carer

The 3 year referral trend was upwards:

| | 2016/17 | 2015/16 |
|--------|---------|---------|
| Term 1 | 109 | 77 |
| Term 2 | 247 | 130 |
| Term 3 | 306 | 207 |

All referrals were properly documented and RAG rated. Anonymised information about the most serious cases was outlined. In a wide-ranging discussion of the report and the issues it raised, it was noted that: -

- All areas of the College are now affected by safeguarding referrals unlike in earlier years where they tended to be concentrated in certain curriculum areas.
- The highest drop-out rates arising from safeguarding issues was for reasons of mental health.
- Whilst it was the case that part of the increase was because of greater staff awareness, the College recruited more students with needs that gave rise to referrals i.e. more students with an Education, Health and Care Plan (EHCP) were attending NESOCOT.
- Staff were sometimes uncertain about the nature of safeguarding concerns but correctly they now referred issues to the safeguarding lead which contributed to the increase.
- It would be helpful to normalise the data tables i.e. it wasn't clear whether there had been an increase by department because the size of the student cohorts were different or whether it was a proportionate increase.
- The College was a member of the Operation Encompass scheme involving Surrey schools and colleges, Surrey Police and the Country Council to provide early reporting on any domestic incidents that occur outside of school and might have an impact on a young person.
- In response to the increase in mental health referrals the College was working with the specialist charity 'Mindful' and it had been agreed to co-fund a band 6 specialist mental health nurses to work part time at the College.
- In addition, the College employed a nurse, 2 part time counsellors and 3 safeguarding/welfare support mentors.

- The College was working across multiple agencies in this area and specifically with Drop-in Mindful service, Drop-in Action for Carers, Drop-in Mary Frances Trust, Sutton Children’s Services, Epsom & Ewell Council Emergency Housing Department and the Amber project.

Governors commended the work of the College in responding to the increased level of need and praised the multi-agency working. The Board would continue to monitor safeguarding closely through its standing item reports at Corporation meetings.

The Deputy Principal (Finance and Resources) gave an account of the health and safety issues associated with her commute to College.

RESOLVED: that the updated Safeguarding Policy be approved.

| 90.16 | STRATEGIC REPORTS |
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| <p>90.1 The Principal’s Report</p> | <p>The Principal’s report was received noting: -</p> <ul style="list-style-type: none"> • The outcome of the Teaching Excellence Framework (TEF) was ‘Bronze’, which was below what the College had been advised as likely by HEFCE. HEFCE had previously indicated that the likely assessment was ‘Silver’. The reasons for the disappointing mark-down in the assessment were known which was because of a dip in retention in 2013/14 on some courses. The TEF had caused controversy in the HE community with a number of high profile Russell Group universities achieving a ‘Bronze’ assessment. Staff and student unions have been critical of the scheme and HEFCE have announced a review. The grading lasts for 3 years but it is possible to resubmit next year which will be considered. • The Quality Assurance Agency (QAA) – the equivalent of OFSTED for higher education programmes – had advised the College that it would receive a Quality Review Visit (QRV) in October. • The Student Taster Day/Parents’ Welcome Evening for new students on 29 June was very well attended. Between 500 and 600 parents attended the evening session and there were lots of questions from parents about the specialist support available for students. |

90.2 Operational Plan Monitoring Report and Strategic Plan update

- As reported earlier, the College was to implement the NESCOL Community Charter. The initiative had arisen from discussions with staff who strongly supported reinforcing messages about the behaviours that were expected of students whilst also setting out the positive values and benefits of belonging to the NESCOL community.
- The College wanted to recognise members of staff who went the extra mile by introducing a scheme that rewarded extraordinary performance.
- The Decision-Making Accountability (DMA) review had been completed. The report was being prepared for consideration in mid-July and any recommendations implemented in the Autumn term.

The operational plan and performance to date report was presented in full. The Principal commented that Governors needed to review not just those activities categorised by the College as Red or Amber but also those classed as Green so that they could consider whether they were correctly assessed. The format of the report was somewhat unwieldy and this would be reviewed by SMT next term **(ACTION: DS)**.

Governors commented that the report should provide an agenda and context for next year's curriculum visits. This year the focus of the visits has been to establish the links and to develop a base level of knowledge. Next year the visits should drill-down into discussions about questions of teaching, learning and assessment, building on the recent NLG CPD work with the Governors. The Deputy Principal noted that her previous college Governors had attended the Quality Review and Resource (QRR) meetings with departments, as these looked into the key metrics at a more detailed level.

90.3 Management Accounts, May 2017

The Chair proposed that a suitably-modified version of the Operational Plan be considered at each Board meeting **(ACTION: FR/DR)**. The Principal confirmed that a review of the Strategic Plan 2015 would be presented at the October meeting of the Board **(ACTION: FR)**.

The management accounts as at the end of May 2017 were considered. It was noted that for timing reasons, F&GP Committee had discussed the April accounts at their June meeting. The points of note in the accounts were: -

- The forecast outturn was on target (£48k vs £41k budget).
- Income was projected to be £1,839k above forecast; expenditure, however, was £1,832k above forecast. Although the College had demonstrated a capacity to grow income, the return was marginal.
- The best and worst case forecast outturns were £148k and (-£72k) respectively.
- The 'pressure points' in the financial performance in 2016/17 have been (i) under-recruitment of adult students; (ii) unbudgeted capitation fees for Kingston University going back over 3 years; and (iii) undershoot in performance for the new commercial ventures. It was noted that these were start-up businesses.
- The key metrics indicated a strong overall position for the College: there were no substantive borrowings, the cash position was strong and the automated financial health status remained 'outstanding'.
- Notwithstanding the above, the area of concern was staff costs which were above target and above the sector benchmark by 2.73%. The College needed to exert a strong downward pressure on staff costs.
- The College had also not managed to achieve the FE Commissioner's benchmark of 3% surplus.
- Without the unbudgeted liability of university capitation fees that had not been invoiced for 3 years, the College could have expected to return a surplus in the region of £280k.
- The management of under-recruitment of adult students and growth in funding had included sub-contracting with long-standing partners. The process of moving provision in-house was ongoing and these costs were reflected in the budgetary position.

Governors discussed the under-recruitment of adult students and drilled-down into the planning assumptions underpinning the development of new courses. It was suggested that a contingency be built-into new course planning reflecting the fact that some new courses would fail to recruit but not all.. The Deputy Principal (F&R) reported that areas had stretch targets but costs were not built into the budget. Governors also questioned whether it was possible to achieve a financial health status of 'outstanding' when the surplus was below the FE Commissioner benchmark. It was confirmed that this was

90.4 Key Performance Indicators May 2017

possible because of the mix of measures used, one of the most important being bank debt liabilities. NEScot had minimal bank borrowings.

The KPIs as at the end of May 2017 were received. Governors noted that overall retention remained good, student attendance at English and Maths classes had increased but was below the internal target and work placement numbers were above last year and were set to hit what was a very challenging target. The areas of concern were: -

- Apprenticeship achievement rates – the Deputy Principal reported that the results were below last year and had been affected by difficulties in recruiting assessors in some key areas such as construction. It was possible that the final position would be above national benchmark at 70% but this was not assured and it would be significantly below last years' outturn of 83%.
- The proportion of lessons graded Good or above for probationary teachers was significantly below the target and the final position for last year. This reflected the higher number of probationary teachers this year and difficulties in recruiting experienced and qualified tutors. C&Q Committee had discussed how the College would support probationary teachers more effectively using a coaching model.

90.5 Draft Budget 2017/18 and 2018/19 forecast

The Corporation received the draft budget for 2017/18 and forecast for the following year with a recommendation for its approval from Finance and General Purposes Committee following its review of the draft at its meeting on 27 June.

It was noted that the budget had been completed in accordance with the ESFA Financial Planning Handbook. Governors' attention was also drawn to the Budget Planning and financial commentary checklist which was appended to the main budget report. It was further noted that 'The Budget for 2017-18 and Forecast for 2018-19 have been set to align with the Finance Strategy as far as possible.' The budget was significantly behind the Finance Strategy which had planned for a £700k surplus in 2017/18. Governors asked whether the £200k forecast surplus in 2018/19 was realistic in the current operating environment.

The proposed budget for 2017/18 was a balanced one with a forecast outturn of £14k. The forecast for 2018/19 was a surplus position of £200k. Both outcomes would be below the FE Commission benchmark of 3% surplus (2017/18 = 0.06% forecast). The budget anticipated a 2.7% rise in income including growth from additional HE tuition fee income arising from the College's partnership with ASTM. Crucially, the budget included a one-off donation of £400k from NESOT Trust in relation to the Saudi project. Without this contribution the budget would have shown quite a deficit. This highlighted the urgent need to move forward the growth agenda which would be given focus through the new Growth Committee, which was a sub-committee of F&GP. The Principal commented that whilst strengthening the College's commercial activities would be important, the most important source of income growth and contribution to bottom-line earnings would arise from student growth, particularly apprenticeships. Currently the College did not work with any levy-paying larger companies but served largely local smaller businesses.

The planning assumptions in the budget had been considered carefully by F&GP and it was noted that the forthcoming year was a crucial one in terms of the College's ability to respond to the opportunities and risks arising from the Government's apprenticeship reforms. Indeed, the uncertainty that arose from these reforms was such that only part-year apprenticeship allocations had issued by ESFA for next year which made budgetary planning precarious. Cautious and prudent income assumptions had been made but there remained uncertainty.

Expenditure was set to increase by 11.3% in income compared to the set 2016/17 budget and 4% against the predicted outturn for the current year. This growth arose from additional HE tuition fee income from the College's partnership with ASTM. In addition, provision had been made for a 1% consolidated cost of living increase which would cost £131,064. Growth of 4.4% (£580k) in pay expenditure was planned reflecting the academic strategy and investments in teaching and teaching support capacity.

The support staff governor drew attention to the need to ensure that new students did not leave during those crucial first few weeks of term when they are settling into College life. In recent years the College had lost a significant number of students early in the term. The introduction of the Prince's Trust programme would be a valuable addition to the offer

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| | <p>particularly for those students who were struggling to adapt to College life. Demographic data showed that the numbers of young people continued to decline through to 2020. Governors recognised that the operating environment for colleges was very difficult and other Surrey GFEs were facing budgetary challenges. NESOT's balance sheet was strong and the key ratios were forecast to remain positive and above the sector norms. For example, the average level of leverage in colleges was 40% but banks are now increasingly reluctant to lend to the college sector. This has been made worse by the new insolvency regime announced by the Government.</p> <p>The Chair summarised the funding landscape and budget imperatives: -</p> <ul style="list-style-type: none"> • The College had made a significant investment in the campus and resources. • Apprenticeships had to be a priority and the College needed to engage with levy-paying employers. • HE was an important area for future growth. • Growing commercial income was part of the income mix and this was why the Growth Committee was being established. • The College had to make a reasonable level of return to support the re-investment in facilities in the future. |
| <p>90.6 Pay Review 2017/18</p> | <p>RESOLVED: that the presented budget for 2017/18 and forecast for 2018/19 be approved.</p> <p>Following consideration of a proposal received at Finance and General Purposes Committee at its 27 June meeting, the Corporation received a recommendation from the Committee that a 1% cost of living pay increase be made for 2017/18. The cost of the increase, which was £131,064 which had been incorporated into the draft budget.</p> |
| <p>90.7 Capital Programme, 2017/18</p> | <p>RESOLVED: that a 1% cost of living pay increase be awarded for 2017/18.</p> <p>The finalised draft capital programme for the year commencing 01 August 2017 was presented to approval at the recommendation of F&GP. Attention was drawn to the projects that had been withdrawn from the programme for budgetary reasons. These would be rolled-forward for consideration next year.</p> |

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| <p>90.8 Capital Bids, 2017/18</p> | <p>RESOLVED: that the capital programme for 2017/18 be approved.</p> <p>Bids totalling £747,145 had been received by SMT. Following the re-designation of a number of bids to building works and revenue lines, Finance and General Purposes Committee at its June meeting had recommended a capital equipment expenditure budget of £360,446 including computer equipment to the value of £239,610. Bids had been evaluated against strategic objectives and linked to student numbers.</p> <p>RESOLVED: that the capital equipment expenditure programme for 2017/18 be approved.</p> |
| <p>91.16</p> | <p>CURRICULUM MATTERS</p> |
| <p>91.1 Curriculum and Quality Committee: Chair's report and minutes 03 May 2017</p> <p>91.2 English and Mathematics report</p> | <p>The minutes of the meeting of the Curriculum and Quality Committee held on 03 May 2017 were received. The Chair of the Committee drew governors' attention to the survey of students which showed that students were very satisfied with their experience at NESCOL (92%). The response of HE students to the internal survey and the external national Student Survey was much higher than last year. In the discussion of English and Maths there was a strong view from the Committee that feedback response times should be much shorter (ACTION: CMA).</p> <p>It was also noted that teacher education student numbers were up and that the College met the ESFA minimum standards requirements.</p> <p>The Board received a progress report on English and Mathematics provision focusing on predicted outcomes for the summer examinations. Comparative data was provided about the results for the other 3 Surrey GFE colleges, other neighbouring college, colleges assessed by Ofsted as 'outstanding' on either the current or old Common Inspection Frameworks (CIF) and also national benchmarks. Governors were reminded that one of the areas for improvement identified in the 2016 Ofsted inspection was an increase in the number of younger learners who started college with a GCSE grade D in English and Maths who improved their grade to at least a Grade C. In 2015/16 the GCSE A*-C achievement rates in English and Maths were</p> <p>GCSE English 15.9% (Nat average = 19.8%) GCSE Maths 17.4% (Nat average = 17.6%)</p> |

It is a condition of funding in FE colleges that younger students without English and Maths GCSE at a Grade C are required to resit. The ESFA have confirmed that this requirement remains in place for next year.

The predicted achievement outcomes for the current cohort based on the analysis of progress tracking of GCSE students were:

| Qualification | Students predicted to improve by at least one grade | Students predicted to achieve A* to C (based on RAG ratings) |
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| GCSE English | 42% | 29% |
| GCSE Maths | 27% | 23% |

Offset against this forecast are the number of students who attended the actual examinations which was 92% for English and 94% for Mathematics. This would clearly depress the results. Overall the attendance of students in GCSE classes was up compared to last year.

Significant changes to the management of the area had taken place over the past 12 months. The College was employing its third Head of English in 3 years and it has been difficult to achieve continuity. The Assistant Principal responsible for English and Maths had also left the College.

The Deputy Principal commented that improvements in English and Mathematics outcomes required a whole-College approach. Tutors reported that many students arrived from school with some fundamental gaps in their knowledge and skills in English and Maths. Remedying these gaps was key; although the situation could become worse with the new and more demanding 9-1 syllabus.

Progress on the action plan and targets for 2016/17 was noted. All students undertake a detailed diagnostic assessment of their knowledge and skills in the first 4 weeks of teaching. Details of the joint CPD work for teachers on the new 9-1 syllabus were outlined.

91.3 Complaints and Compliments report

A detailed report on Complaints and Compliments for 2016/17 was received. The trend for complaints was downward:

| | 2014/15 | 2015/16 | 2016/17 |
|------------------|---------|----------|-----------|
| Complaints | 35 | 25 | 13 |
| Compliments | 162 | 207 | 107 |
| Av response time | 7.08 | 7.6 days | 10.9 days |
| Within standard | 100% | 96% | 100% |

The breakdown of complaints in 2015/16 by provision was as follows:

| FE | Adult & Apprenticeships | HE | Support Areas |
|-----|-------------------------|----|---------------|
| 8.5 | 1 | 1 | 2.5 |

It was noted that the practice in recent years has been to endeavour to deal with complaints informally.

92.16

AUDIT MATTERS

92.1 Chair's report and minutes, 21 June 2017

In the absence of the Chair the Deputy Principal (F&R) presented the Audit Committee minutes from the meeting held on 21 June 2017. In response to questions it was confirmed that as part of the external audit of the NESOT Group Financial Statements a partner firm of MHA based in Saudi Arabia would be undertaking additional audit work on NCL. The minutes were noted.

92.2 Internal Audit Strategy and Annual Plan 2017/18

The Audit Committee had reviewed the draft internal audit strategy and plan for 2017/18 and commended it to the Corporation for approval.

RESOLVED: that the draft internal audit strategy and plan for 2017/18 be approved.

92.3 Risk Management Reports

Following review by the Audit Committee, the Corporation received the strategic risk register and risk reduction plans. In addition, full supporting documentation for the risk register including the operational risk register by department and deleted risks were made available to the Board for information. Each risk had been assessed by the Audit Committee noting movements in risk ratings. The risk relating to the failure of information systems and loss of data had increased to 'Significant' because of a major outage on the College's email systems which had not been remedied because of the failure newly-acquired replica server. The Deputy Principal responded

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| <p>92.4 Appointment of the Auditors</p> | <p>to questions on the matter and advised the Corporation that most data had been restored – the outage had occurred at a weekend. Testing had taken place but concern was expressed whether this was sufficiently robust. Nonetheless the risk was properly assessed as ‘Significant’ going forward. Other areas of ‘Significant’ or increased risk (‘High’) were: -</p> <ul style="list-style-type: none"> • Sub-contracting/Partnership work (including the new joint venture) • Failure to achieve funding and apprenticeship student recruitment targets • Failure to obtain ‘Good’ or better teaching standards • Failure of the curriculum offer to meet the needs of the marketplace • Failure to develop and implement effective robust business plans for international work • Failure to achieve a fit for purpose estate and facilities • Ineffective control of staff costs • Adverse change in government policy • Failure to manage properly the College’s commercial activities • Failure to manage NESOT UK’s exit from the Saudi project • Failure to manage effectively the Government’s apprenticeship reforms <p>The view of the Audit Committee was that College was open and very rigorous in its approach to the assessment of risk. SMT debated all risks thoroughly.</p> <p>Governors drew attention to the large amount of newly-installed external cladding on College buildings and asked whether in the light of the tragedy in Kensington whether the College had been able to obtain assurance as to the safety of the cladding. The Principal commented that the main College contractors had confirmed that the materials used were not those used at Grenfell Tower.</p> <p>The Corporation was advised that the audit contracts would be tendered next year.</p> |
| <p>93.16</p> | <p>FINANCE AND GENERAL PURPOSES COMMITTEE</p> |
| <p>The minutes of the meeting of Finance and General Purposes held on 27 June 2017 were noted.</p> | |

| 94.16 | NESCOT BUSINESS SERVICES LTD |
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| | <p>The Chair presented the minutes of meetings of NBS Ltd Board held on 16 May and 27 June 2017 for information. The Chair updated Governors on the current status of the Saudi project exit process noting that HSBC had written formally to the College to confirm that its bond liabilities in respect of the project had been terminated. The final stages of the completion of the process were underway in Saudi Arabia and were due for completion by 31 July.</p> <p>The Deputy Principal Finance and Resources informed the Corporation that the view of the external auditors was that if the exit was delayed beyond this date by more than a few weeks it would be necessary to produce Group accounts and fulfil Group reporting obligations.</p> |
| 95.16 | GOVERNANCE MATTERS |
| 95.1 Appointment of the Chair and Vice Chair | Deferred to the next meeting of the Corporation. |
| 95.2 Corporation Terms of Reference, Cycles of Business and Standing Orders | Deferred to the next meeting of the Corporation. |
| 95.3 Board Effectiveness reports | The Clerk explained that the Governor self-evaluation questionnaire and appraisal forms would be distributed after the meeting as part of the Corporation's review of its own effectiveness. |
| 96.4 Meetings schedule | The meetings schedule for 2017/18 was confirmed. |
| 96.5 Governor Expenses and Remuneration Policy | Deferred to the next meeting of the Corporation. |
| 96.6 Paperless meetings | Following the pilot of the Boardpacks system in the current year, the move to paperless meetings of the Corporation from September 2017 was confirmed. It was further noted that Governors would be requested to use Nescot email addresses for Corporation business going forward. |

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| 97.16 | DATE AND TIME OF THE NEXT MEETING |
| Friday 06 October 2017 at 09.00. | |
| 98.16 | MEETINGS AND EVENTS |
| The dates of future meetings and events were noted. | |
| 99.16 | ANY OTHER BUSINESS |
| There was no further business and the meeting ended at 10.55. | |
| 100.16 | CONFIDENTIAL ITEMS |
| College staff and Staff and Student Governors withdrew for the confidential items. | |

Signed Date

Professor Sam Luke, Chair of the Corporation

| | |
|-----------|--|
| Author | David Round |
| Title | NESCOT Corporation Minutes 07 July 2017 |
| File Ref: | C:\Users\dround\Dropbox\NESCOT Folders\Nescot Corporation\Corporation\NESCOT Corp 070717\Minutes of the Meeting\Amendments from the Chair\NESCOT Corp Minutes 070717 Draft v2.docx |