



**MINUTES OF THE NORTH EAST SURREY
COLLEGE OF TECHNOLOGY FURTHER
EDUCATION CORPORATION held on
Friday 7th February 2020 AT 09.00, in the
Skills Park Boardroom**

PRESENT*	IN ATTENDANCE
Professor Sam Luke (Chair) Lynn Reddick (Vice Chair) Peter Stamps Frances Rutter (CEO & Principal) Graeme Hodge (Support Staff Governor) Ben Alway (HE Student Governor) Daksin Chandrasekera (FE Student Governor) Simon Enoch Maureen Kilminster Margaret Martin Chris Muller Vince Romagnuolo	Cliff Shaw (Deputy Principal, Curriculum) Maria Vetrone (Deputy Principal, Finance and Resources) Dario Stevens (Vice Principal, Planning and Information Systems) Donna Patterson (HR Director) Josephine Carr (Clerk to the Corporation)

* Attendance at the meeting = 86%

36.19	Chair's Welcome
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The Chair welcomed members to the meeting and advised that there would be a short presentation from Daniel Ollivierre, the College's Enrichment Officer and then a presentation from Dilip Amdekar, CEO of ASTM. Both Daniel and Dilip have other engagements to go onto and so the meeting will start formally after the two presentations.

37.19	Nescot Enrichment Programme
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Daniel advised the meeting that his presentation was an overview of the College enrichment programme pre 2019/20, developments during 2019/20 and plans for the future developments. Daniel commenced his role as Enrichment Officer in October 2019. He is a full-time member of staff combining the role of Sports Instructor with that of Enrichment Officer.

In 2018-19 there was a small enrichment offer of some 20 sessions comprising football, gym and anime. All activities were limited to lunchtimes.

In 2019-20 this has increased to 41 clubs and over 1,000 students participating to date. Participation varies from department to department and whether students are on work experience or in College.

The Student Survey undertaken at the beginning of this week, reported that most students had heard of the Enrichment Programme via feedback from other students and tutorial sessions or by word of mouth. Participation varies from department to department and Dan will be targeting specific departments going forward.

Survey findings:

- 75% of respondents had made new friends.
- 62% reported that their wellbeing had improved.
- 75% believe that the Enrichment Programme enhances the Nescot Community.
- 12.5% of respondents report that participation in the enrichment programme helps them to concentrate in lessons.
- 55% do not participate due to "perceived" lack of time.

- 31% do not feel comfortable to participate in the Enrichment Programme.

The negative points provide Daniel with specific areas to address going forward. Daniel will be meeting prospective students at the July taster session in order that they are aware of the enrichment programme when they commence their studies in September 2020.

In response to the Student Voice, 8 new programmes have been introduced and a further 8 are being developed. A further five are currently on hold due to safety or financial reasons including High Ropes.

Going forward Daniel is looking to include trampolining, external speakers and outdoor activities. Some students have requested some offsite options. Daniel is looking to further expand the activities across the week because, whilst Wednesday afternoons are designated for extra-curricular activities, a number of students are not programmed to be in College on Wednesdays.

At the end of the Autumn term there were a number of staff v student activities which were popular, and these will be incorporated at the end of every term and during the wellbeing week.

The Staff Governor advised the meeting that it was a pleasure working with Daniel, who has worked hard to overcome the handicap of starting the role in October; a September start would have made an even bigger difference to both participation levels and the number of activities. Kathryn Stephen's Creative Industries presentation on Wednesday afternoon reminded the Staff Governor of the amount of enrichment activity undertaken by departments.

The HE Student Governor advised the meeting that many of the HE students do not participate in the Enrichment Programme as they perceive it to be FE focused. Daniel confirmed that the Enrichment Programme is open to everyone, students, staff and governors. Ben agreed to share this message with the HE students.

The FE Student Governor reiterated his comments at the December meeting, that the Enrichment Programme was good and an excellent way of meeting students from other courses.

The Deputy Principal (Curriculum) reiterated the positive impact of friendship groups which encourages students to stay at College and complete their programme.

The Vice Chair suggested that Daniel should drill down further regarding the 31% who feel uncomfortable regarding participation in the Enrichment Programme. Daniel agreed to do this and assured the meeting that there are female only and specific SEN groups within the 2019-20 Enrichment Programme.

The Chair asked what the 30% of survey respondents who reported that nothing interested them would they be interested in. The meeting acknowledged that there will always be an element of students who do not wish to participate in extra-curricular activities.

The meeting thanked Daniel for his informative presentation.

38.19	ASTM Strategic perspective
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	The Principal advised the meeting that she wanted the Board to meet Dilip Amdekar, CEO of ASTM and Mohan Chana (Director of Partnerships). Originally ASTM entered into a subcontractor relationship with Nescot providing FE and some HE Business studies provision in Oldham, specifically targeting a particular market of students.
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As the ASTM delivery developed to include Entrepreneurship and Health and Social Care, Nescot sought legal advice before entering into a formal Partnership with ASTM some 2.5 years ago. The Service Level agreement is based upon a 50/50 cost and profit share.

ELT are conscious that Oldham is a minimum of 4 hours' drive away and that the partnership needs to be carefully managed in particular with regard to quality of provision and adherence to Nescot policies and processes. The Head of Quality, Carole Spicer, Director of HE, Nicki Adams, the Deputy Principal (Curriculum) and Mohan Chana regularly visit all the ASTM centres. Rob Greening, Director of Behaviour and Wellbeing has provided Safeguarding and Prevent teaching sessions at all the ASTM Centres.

When the OFSTED inspectors visit Nescot, they will also inspect the ASTM Centres, review provision and speak with ASTM students.

The ASTM Board now meets monthly and a separate strategic planning meeting is held once a term. ELT are looking to manage prudent growth whilst maintaining the quality of provision. This is a closely managed high risk partnership with high rewards. The College is looking to spread this risk by working with other partners.

Dilip Amdekar and Mohan Chana were introduced to the meeting. Dilip Amdekar, CEO of ASTM is a chartered accountant with over 25 years' experience with a large international chemical company culminating as Group CFO. Dilip then moved to education because he had always been passionate regarding education for all of the community.

ASTM commenced working in Oldham during 2016/17 having identified a niche provision for the local Bangladeshi and Indian communities offering level three Business Studies for students predominantly working for their family business or self-employed. The provision subsequently developed to level four and level five and introduced a Health and Social Care provision. However, existing learners are now looking for a top-up degree and new students are requesting a foundation degree programme.

During 2018-19 ASTM opened three new centres at Rochdale, Hounslow and Aldgate East. The learner population at the Hounslow and Aldgate Centres differ to those in Manchester with a higher number of Eastern European learners together with a highly competitive market competing for these learners.

Dilip Amdekar advised the meeting that the income generation and subsequent profit share were behind agreed targets for this year. This is principally due to the delay in the approval of the top-up BA degree and the Oldham Centre student numbers decreasing now that the demand has been met.

ASTM are currently looking at Nottingham and Leicester as possible new centres for 2020/21.

A discussion ensued including the following points:

- The ASTM/Nescot income generation is forecast to continue to grow, but this is dependent upon the approval of the BA Top-up degree and the availability of a foundation degree for Health and Social Care.
- The provision and quality management are carefully managed.
- The Partnership has generated wider participation in the communities which it serves. However, there has been a decline in level three Business studies enrolment in 2019/20 due to increased local competitors offering level three programmes in parallel with English and Math Functional Skills programmes together with progression to foundation degrees. This progression through to degree level facilitates the learner's applications for advanced learner loans and increases the probability of the learners being successful in their loan application.

The decline in level three enrolment in 2019/20 will also affect the student pipeline for Levels 4 and 5 in 2020/21 and 2021/22.

- The contact time with ASTM student is greater than many of its competitors and the weekend courses are more suited to the learners' work and family commitments and facilitates their return to education.
- ASTM actively supports its students with opportunities to develop their Businesses. This includes helping them to apply for loans for start-up businesses. One member of the ASTM staff is also a member of the Oldham Enterprise Board which offers £10K interest-free loans to eligible start-up businesses.
- The Aldgate and Hounslow centres have been open for less than one year. Pearson have imposed a cap of 120 student numbers at each site which often happens when a programme is first established. However, an anonymous complaint to Pearson last year took six months to investigate. The investigation concluded that no further action was required but that Pearson would undertake further monitoring of Hounslow and Aldgate. Pearson have indicated that they will revisit the student cap after the first cohort have completed their studies and the successful completion of the March monitoring visits.
- ASTM are currently keeping learners warm in anticipation of the Pearson cap being lifted and have two cohorts of learners looking to commence their studies in March 2020.
- At the last Pearson monitoring visits to Oldham, Hounslow and Aldgate, only one recommendation was made by the Pearson inspectors.
- ASTM have recently increased the number of external verifier days in order to fully comply with the Pearson requirements.
- As reported at the December Audit Committee and the December Corporation meeting, Nescot ELT commissioned an independent audit of the ASTM student body in the summer term 2019. All 390 student records were reconcilable to authenticated sources (e.g. passports) and the auditor met with a sample of the students. ELT is satisfied that the ASTM Higher National Programme student body for 2018-19 was authentic.
- The OU have declined to validate the level 6 Bachelor of Arts Top-up degree with the ASTM/Nescot Partnership and this has impacted upon recruitment of learners for ASTM. This is a new model and so OU are exercising understandable caution. In recent discussions they have indicated that they may approve the programme if it is delivered at the Nescot site with Nescot staff. The College and ASTM staff are currently pursuing the option of weekend delivery at the Nescot campus.
- The meeting noted the potential for the level three student targets is stagnating as the local market demand is sated.

ASTM SWOT Analysis

ASTM is able to demonstrate social and community impact through their education programmes and activities within Oldham. Local Councillors and MPs regularly visit the ASTM centre; ASTM were finalists in the "Highest impact on the community" by Oldham Business awards. ASTM supports local youth centres and badminton clubs. ASTM has recently worked with Oldham Football Club. ASTM is a member of the Manchester Business Forum and Chambers of Commerce.

Many female students have reported that the ASTM programmes have empowered them. There is a short video clip at the end of this presentation. The quality of the ASTM provision and their empathy with their students is believed to be superior to that of their local competitors.

Potential weaknesses:

The ASTM Systems have not necessarily kept pace with growth and the ASTM management are now addressing these.

The Partnership needs a level 6 BA top-up programme. As discussed, students prefer to stay with one educational institution throughout their studies. This element of the Partnership must be addressed as a priority to improve and sustain the business model.

Should the Partnership be reliant/dependent upon one awarding body, Pearson. The Partnership should consider engaging with other awarding bodies.

Partnership Opportunities:

Brexit will provide new opportunities for skill training

Tier 4 study visas from India now have a success rate of 95%. Dilip was an inspector for ASIC and has maintained his contacts. If the entrepreneurship course is cutting edge, then it will be highly desirable to international students.

There are now 180 members of the Entrepreneurship Group.

Strategic vision:

Dilip is looking to continue with 30% growth each year with a target income of £10M in 2022/2023 but this is dependent upon being able to offer a top-up BA programme and foundation degrees.

In order to achieve this ASTM will need more centres, will enrol foreign students and diversify its provision as ultimately student enrolments in the Business studies programme will plateau. ASTH will curriculum plan and identify new opportunities. ASTM will be careful to ensure that have the skills to deliver quality programmes.

The meeting watched a short video of a Level 3 ASTM student who was looking to progress to Level 4 and thanked ASTM for their support in obtaining a disability allowance and student finance.

A member asked whether ASTM had links with other universities. Dilip advised that he had approached Huddersfield university regarding a link with the Oldham centre. However, Huddersfield had appeared more interested in ASTM students joining Huddersfield for their Level 6 as opposed to validating an ASTM programme. The meeting acknowledged that it was probably easier for Nescot to negotiate with universities than ASTM as a private education provider.

The Principal advised the meeting that it is both expensive and time consuming to maintain accreditation with a number of universities which all have different accreditation cycles and requirements. Hence Nescot has elected to work with the OU and reduce the number of programmes accredited by other universities. The OU is being cautious regarding the ASTM/Nescot partnership and it is thought that once the programme is successfully delivered at the Nescot campus, the OU will support the programme being rolled out to the ASTM centres.

In spring term 2018/19 the Principal introduced monthly ASTM Boards. At these meetings all issues and risks are discussed, assessed and documented together with mitigating actions. These meetings have significantly assisted with the integration of ASTM with Nescot systems. Dilip Amdekar re-iterated this, noting that the Board controls and monitors the Partnership risks; entrepreneurship is about understanding risk and mitigating them.

Dilip Amdekar and Mohan Chana left the meeting at 10.09.

The Chair asked the meeting for their comments:

- The College is reliant on ASTM to provide a surplus in order to achieve a balanced budget; this is a significant risk and requires careful management.
- Nescot is building relationships with other providers in order to reduce its current reliance on ASTM.
- Ensuring that Nescot quality standards and processes are adhered to has been challenging.
- The current capacity of the College Quality team cannot sustain the ASTM required support. The January ASTM Board agreed some funding for an additional role, ASTM Quality Manager.
- Pearson requested a 100% assessment to be internally verified by the College Quality Manager, Carole Spicer, which was a significant undertaking. Pearson are being cautious during the initial stages of the Partnership. Hopefully Pearson will review the student cap after the March monitoring visits have been undertaken.
- Dilip Amdekar is successful in engaging with harder to reach markets.
- The College is partially open at weekends, for mostly sporting activities. The use of the College at weekends by ASTM will hopefully encourage greater use of the College's facilities at weekends.
- The Deputy Principal (Curriculum) regularly attends the ASTM centres and assured the meeting that the teaching quality is good and that the student engagement is very good.
- The new government is promoting greater activity in the North of England, ASTM are well placed to respond to new markets and any additional funding. This together with opportunities generated by Brexit should be considered at Growth Committee.

The Principal concluded the discussion by re-iterating that ASTM must be embedded into the Nescot psyche and that the Partnership is able to demonstrate this. A member noted that the ASTM website includes Nescot branding.

The Chair acknowledged that the ASTM item has exceeded its allotted time. However, it is important that the Governors understand the Partnership. The meeting requested the Clerk to circulate Dilip Amdekar's PowerPoint presentation.

39.19

Confirmation of Chair and Vice Chair of the Corporation and Committee Chairs for 2019-20

The Chair advised the meeting that further to Maureen Kilminster's resignation as Chair of Audit in December, he wished to re-iterate the current Committee Chairs and the Chair and Vice Chair of the Corporation for 2019-20:

- Chris Muller agreed to continue as Chair of Curriculum and Quality and the Senior Staff Performance and Remuneration Committee.
- Peter Stamps agreed to continue as Chair of Finance and General Purposes Committee
- Lynn Reddick agreed to continue as Chair of Search and Governance Committee
- Simon Enoch accepted the nomination to be Chair of Audit Committee.
- Sam Luke confirmed his wish to continue as Chair of the Corporation and Chair of the Growth Committee.
- Lynn Reddick confirmed her wish to continue as Vice Chair of the Corporation.

The Chair thanked Maureen Kilminster for her work as Chair of the Audit Committee for the last two years.

The meeting confirmed the appointment of the Chair and Vice Chair of the Corporation and Committee Chairs for 2019-20 as listed above.

40.19	Chair's Report
<p>The principal focus for today's Board meeting is to review the in-year progress of the College as measured against agreed KPIs and supporting narratives. Together with progress regarding the challenging 2019-20 budget and an initial discussion regarding the new ESFA financial model. On behalf of the Corporation I would like to thank Maria and the Finance Team for this substantial new reporting requirement in addition to their on-going workloads.</p> <p>May I remind you that we will be meeting again in 18 days (Tuesday 25th February at 6pm) to discuss and agree the College's submission to the ESFA on 28th February.</p> <p>Cliff's report on Mental Health, the termly safeguarding report together with national media coverage reminds us of the College's responsibilities to its staff and students. Whilst not replicating the role of Safeguarding Governor, I wonder if the Corporation should appoint a Mental Health Link Governor and whether anyone would like to volunteer for this new role.</p> <p>The Governance aspects of the meeting are essential in ensuring that the Governors are best prepared and informed to fulfil their responsibilities to the College community. The results of the self-evaluation questionnaire reported later in this agenda reflect a clear direction of travel.</p> <p>Thank you to the Nescot governors who attended the inaugural Surrey Governor Network. The notes from the first meeting are available in the meeting pack.</p> <p>As is our custom we will spend a few minutes at the end of this meeting reviewing our effectiveness as governors, the quality of debate and how effectively we have scrutinized the College and held Senior Managers to account.</p>	
41.19	APOLOGIES FOR ABSENCE
<p>Apologies for absence were received from Lee Widdows. No apologies had been tendered by Jamie Roberts (Staff Governor).</p> <p>The HE Student Governor advised that he had a hospital appointment and would need to leave the meeting no later than 11a.m.</p>	
42.19	DECLARATION OF INTERESTS
<p>The Chair reminded Members to declare any interest they may have in any of the items on the agenda. Professor Luke, Peter Stamps and Frances Rutter declared their interest as unremunerated directors of NESCOL Enterprises Ltd, which was a wholly-owned College subsidiary company. Lynn Reddick declared her interest as the Director of Learning at a specialist provider in Surrey. 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.</p>	
43.19	MINUTES and matters arising
<p>The minutes of the meetings held on 12th December 2019 were approved as a correct record and signed by the Chair.</p> <ul style="list-style-type: none"> The meeting agreed that a Mental Health Link Governor should be appointed. Mental Health issues continue to increase, and the College has a dedicated Mental Health Team which 	

whilst working closely with the Safeguarding Team is a distinct group with responsibility for a cross-college issue. Margaret Martin expressed an interest but requested more information regarding the role before committing herself.

- The Clerk confirmed that the December Corporation minute regarding the late payment of the OfS registration fee 2019-20 had been sent to the Compliance Manager as requested and that no acknowledgement had been received. The Clerk should resend the email and include a read receipt.
- Terms of Reference for the review of the operating model and cost base. This item will be discussed as item 11.2 of the agenda.
- The Clerk has started to set up a Corporation Microsoft Team. A discussion ensued regarding the current VLE, Microsoft Teams and the redevelopment of the College's SharePoint. The meeting agreed to wait until the new SharePoint was available next term before migrating any data from the VLE to Microsoft Teams.

44.19

Safeguarding, Prevent and Health and Safety Report (Standing Items)

The Deputy Principal (Curriculum) presented the pertinent points:

Reassurance regarding the increased volume of referrals: The increase of referrals is a result of

- increased awareness of staff and students;
- the new system, MyConcern imports school data;
- Week 6 tutorials focused on mental health and this resulted in an increase in reported concerns.
- Wellbeing was introduced as a distinct topic during induction week 2019.
- Students are now more inclined to disclose their concerns.

Data shows that females continue to be more likely to disclose concerns than males.

The College currently has 7 red safeguarding cases which are being closely managed. The four suicide attempts were made outside college (two of which were female and two male students). The meeting discussed the impact on the college community that suicide attempts may have particularly in light of the increased suicide attempts by young people in Surrey. The Deputy Principal (Curriculum) agreed to review the data to look for any trends which may help prevention. There were two suicide attempts in 2018-19.

The College currently has no prevent issues. An allegation regarding bomb-making was investigated and the Safeguarding have engaged with the student and assured the College that the allegations are unfounded. The SE Regional Prevent Coordinator (DfE) has assessed and approved the College's Prevent Risk Assessments with few small recommendations.

The Mental Health Team are working with the progress coaches and tutors of SEN students with high levels of concerns and anxieties to ensure these students are fully supported.

The Deputy Principal is looking to renew the funding for College Mental Health practitioner for 2020/21.

Wednesday afternoon Staff CPD sessions: Dr Anna Jones has been working with staff on how to identify and work with "smile and depression"; where individuals seem fine but in reality, are not. These people are often at greater risk than those people who report their mental health concerns and anxieties.

45.19

Summary of Mental Health Related Activities

As tasked by the December Corporation meeting, this report summarises the work and activities within College for both staff and students.

The meeting noted to the decrease in sickness days due to mental health/stress which is principal the result of long-term sickness skewing the data. The Assistant principal agreed to separate long-term sickness from the data in order to be able to identify any trends.

The first Health and Wellbeing week is being held 10-14 February. Aimed primarily at staff, all members of the College community are welcome to participate. The week will include small taster sessions and some external speakers encouraging staff to take some time out of work and help their wellbeing. Some sessions require booking in advance, and 100 bookings have been made to date. Other sessions do not require booking in advance.

The Clerk will circulate the programme in the weekly update.

The Board agreed that this was an important initiative for staff and the College community.

The HE Student Governor left the meeting at 10.50

46.19

STUDENT MATTERS

The HE Student Governor reported that the Student Representatives had not met since the December Corporation meeting and so he had little to report other than regarding the experiences of the Sports and Osteopathy students. The feedback regarding the new online database and new publications acquired by the LRC is very positive. Some students believe that the interface on the new database is a little complex, but this may be an initial teething problem.

The new equipment in the gym has helped to improve student learning with its increased specialist equipment which allows for examination more specific muscle groups as opposed to the previous basic range equipment.

Some students would like the gym to be open during the day in order that they may use the facilities when they have gaps in their timetable. Currently teaching timetables for the sports staff do not facilitate the gym opening any earlier than 3pm save for specific lunchtime classes.

Many HE students have greater travel to college distances than many FE students, the HE Student Governor lives near Gatwick, and would welcome external enrichment activities as this may encourage the HE Students to participate.

The FE Student Governor is looking to develop the Student Governor VLE in order to provide students with an additional means of voicing their experiences and suggestions.

The FE Students acknowledge the improvement in College technology this year, in particular the improved speed of IT. The FE Student Governor reported that interaction with IT in the Travel and Tourism Department is good.

Starbucks is popular with students and has better pricing options than Caterlink.

The socialisation element of the enrichment programme is important. The sessions are fun and physical.

47.19

STAFF MATTERS

The Support Staff Governor had nothing to report.

48.19

STRATEGY REPORTS

48.1 Principal's update

The Principal introduced her report and highlighted the following points:

1. FE applications for 2020/21 are 6% higher than at this point in 2019 which in turn reflected an increase of 10% compared to 2018.
2. HE applications for 2020/21 are 9% higher than at this point in 2019. This data relates to new applications and does not include progressing students applying for the next level of their programme.
3. Nescot is developing a new relationship with Royal Holloway University regarding student pipelines and staff CPD. The Royal Holloway has a good reputation for its pastoral care.
4. The Principal attended the Surrey 2030 conference. Nescot and the University of Surrey were the only two educational institutions in attendance.
5. Waverley Borough Council are looking to have a Community learning provision in the Camberley Shopping Centre. There is currently space in the management suite or a longer-term prospect of a disused night club.
6. Nescot hosted the inaugural Surrey Governor Network on 23rd January with exceptional canapés prepared by the Level 2 catering students. The Network will meet quarterly, with the next two meetings being organized for late April and late June.

48.2 Terms of Reference for the Review of the operating model

Discussions regarding the sustainability of the College's current cost base commenced last term at the Governors Link Day and the December Corporation meeting tasked ELT with a fundamental review of the whole of the College's current provision. As discussed at the December Corporation meeting this is a huge undertaking in addition to ELT's ongoing responsibilities.

The Terms of Reference for this review have not been finalised; however, work regarding the review has commenced. This is a long-term project as the Curriculum for 2020/21 was agreed last summer, and it is essential that the quality of College provision is maintained and that the provision meets the needs of the College community and identified skill requirements.

SMT are currently prioritising

- the new ESFA financial model due for submission on 28th February;
- ensuring the proposed support staff recruitment via Nescot Enterprises is equitable, robust and generates the required pension savings;
- scoping the new CRM, website and financial systems to procure the optimum systems for the College;
- responding to the latest Government policy update regarding sub-contracting which continues the trend of increasing complexity and reflecting the government's aversion to this method of delivery.
- Supporting the ASTM partnership in order to meet budget targets and achieve accreditation of the BA top-up programme;
- To further refine the model for use with other parties;
- Given the recent number of inspections in Surrey the OFSTED call is anticipated and preparation has increased.
- ELT are trialing a costed model with apprenticeships as part of the preparation for the fundamental review.

<p>48.3 Strategic Plan update and scorecard</p> <p>48.4 Corporation KPIs targets</p>	<p>The meeting acknowledged the considerable workload of ELT and discussed the option of external assistance. The Principal advised that ELT do not support the option of external assistance regarding their operational duties or the fundamental review. ELT would welcome “back-fill” support in specific areas such as quality which will then reduce ELT workloads.</p> <p>The meeting requested that the Terms of Reference be tabled at the next Corporation meeting on 25th February. The meeting agreed that members should allow for two hours which would be evenly split between discussing the ESFA financial model and the Terms of Reference of the fundamental review including proposals for additional support.</p> <p>The Vice Principal presented the Progress against the Strategic Plan KPIs as at February 2020. In response to a member question regarding the red RAG rating of Apprenticeship Overall and Timely Achievements, the Vice Principal advised the meeting that it is currently too early to accurately predict apprenticeship completions particularly given that the College focussed its efforts on the recruitment of apprentices and ensuring that all apprentices were fully enrolled and eligible for funding by the deadline of 6th December. A number of non-profitable apprenticeship schemes and those where the College has concerns regarding quality are being discontinued. This will impact upon the current year and 2020/21 data.</p> <p>The Vice Principal introduced the December KPIs reminding the meeting that the Apprenticeship completion data was not yet available.</p> <p>The Corporation noted the December 2019 Corporation KPIs.</p>
<p>30.10</p>	<p>Finance Matters</p>
<p>30.1 Management Accounts December 2019</p>	<p>The Deputy Principal (Finance and Resources) presented her December Management Accounts PowerPoint presentation together with the coversheet and accounts</p> <p>The management accounts as at 31st December together with the forecast to 31st July 2020 reflect significant underperformance against the agreed balanced budget for 2019/20. The expenditure savings of £516K have increased since the October accounts however, the forecast income variation of £1,429K has increased resulting in a forecast operating deficit of £913K. The meeting were reminded that this is currently the best case scenario forecast.</p> <p>There are 4 financial pressure points to date:</p> <ol style="list-style-type: none"> 1. £1.894M ASTM income shortfall from under-enrolment. This is offset by non-pay cost savings of £821K and associated wage savings of £346K. The under-enrolment relates to the delay in the accreditation of the BA Top-up degree estimated at £600K and the under-enrollment or delayed cohort starts for students on Level 3 and Level 4 programmes. The net impact is a loss of £727K surplus from the ASTM/Nescot partnership. 2. £660K efficient pay cost target: £132K has been identified post September 2019 enrolment and a further £200K pay savings have been identified but may not be guaranteed at this stage. This results in an adverse variance of £328K. The meeting was reminded that the College enrolled an additional 218 16-18-

year-old students in September 2019 and will not receive the funding for these additional students until 2020/21.

3. Under-enrolment against the Curriculum Plan for Full Cost programmes (self-paying learners) of £453K. This is offset by non-pay cost savings of £95K resulting in an adverse impact of £358K.
4. LGPS additional charges of £289K as a result of the triennial valuation in January 2020. At this stage the full cost of the increased charges is shown. The Deputy Principal (Finance and Resources) confirmed that this latest increase is a cash transaction.

The Deputy Principal confirmed that the key inherent risks relate to the achievement of the £660K staff savings and the expansion of the ASTM partnership resulting in a 62% risk of not delivering a balanced budget in 2019/20. The red quadrant of the pie chart (25%) relates specifically to ASTM and the pay cost savings target.

ELT have agreed mitigating actions with a budget risk register and the implementation of a 5 point financial delivery plan

1. Increased sales and marketing activity in high impact areas (levy apprenticeship and full cost courses).
2. Increased income from High Needs provision, school links and 14-16 progression pathways with minimal additional costs.
3. Review of staff recruitment for all non-mission-critical posts to reduce total pay expenditure;
4. Review of non-pay expenditure, acknowledging that previous reviews have resulted in minimal amounts remaining.
5. Review of cash management to increase returns through diverting further cash into higher risk investment funds.

Management Accounts KPIs as at 31st December 2019

Cash days in hand = 76 compared to the annual target of 97. Forecasting a year end RAG rated green position of 97. The FE sector average is 65.

Current ratio = 6.5 compared to the annual target of 3.43. The year-end outturn is forecast as 3.28. The meeting was reminded that this ratio excludes the £1M invested in the medium risk investment fund. The FE sector average is 1.0.

EBITDA, whilst the College is behind its own target and is forecast to achieve 7.73% compared to the target of 9.52%, the College's financial health as assessed by the ESFA is currently outstanding and forecast to be outstanding at year-end.

Budget v forecast outturn projects a £913K operating deficit which equates to 3.3% of income which is behind the College target of 3% operating surplus of total income.

In Overview:

Income is behind target by £1,429K (4.9% of budgeted income). Within this figure:

- High Needs income is currently forecast in excess of budget by £486K.
- A shortfall is forecast for the Osteopath clinic of £25K.
- Additional £238K school links and 14-16-year-old students.
- ASTM shortfall of £1.9M.

- Shortfall of £287K levy apprenticeship income
- £543K shortfall from self-paying learners.

Pay costs are forecast to be overspent by £293K (1.9% of total pay budget) comprising of additional LGPS charges of £289K and £4K wages overspend. Within the £4K overspend is included the ASTM pay cost saving of £343K and the shortfall of planned efficiency cost savings of £328k.

Total non-pay is forecast to be underspent by £809K (6.1% of the total non-pay budget) and this is predominantly associated with ASTM and reduced student enrolment.

Resulting in **total expenditure** savings of £516K forecast representing 1.8% of the total budget.

The budget forecasts as at 31st December are:

- Best case £913K operating deficit
- Likely case £1.2M operating deficit
- Worst case £1.5M operating deficit.

The Segment analysis shows the £913K operating deficit:

Curriculum generating an additional operating surplus of £7.568M (forecast surplus of £6.936M) which includes accrued income for additional lagged funding for 16-18 students enrolled in September 2019. The contribution margin is 44.5% and if this were 50% the College would achieve a break even position.

Subcontractors and Partners forecasting a shortfall in operating surplus of £798K which is principally the reduced student enrolments for ASTM.

This then results in a shortfall of operating surplus for the College Curriculum of £23K.

Commercial activity is currently on target to make the budgeted operating deficit of £37K. This includes the projected loss of £25K for the Osteopathy Clinic.

The Enterprises Board this morning discussed the plan to recruit support staff via Nescot Enterprises Ltd.

Support which, effectively includes all items not included in the above 3 segments and includes depreciation and learning support costs, is forecasting a shortfall in budgeted operating surplus of £889K.

The Deputy Principal (Finance and Resources) assured the meeting that the College Balance Sheet remains strong:

Non-Current assets include a £137K adverse variance against budget generated principally by the slowing down of capital equipment expenditure. This expenditure will be incurred in 2020/21. The Deputy Principal (Finance and Resources) assured the meeting that the College was maintaining its asset value of its land and facilities.

Cash forecast includes a £321K adverse variance against budget caused by the forecast operating deficit.

Net current assets forecast includes the £321K cash variance forecasting 1:3.28 (1:3.16 target). The sector average is 1:1.

The deferred benefit obligations (LGSP) deficit has increased by £2.4M as a result of the triennial valuation. This impacts upon the total net assets forecasting an adverse deficit of £3.07M (LGSP and budget operating deficit forecasts). In response to a member question, the Deputy Principal (Finance and Resources) confirmed that the DfE were funding the additional TPS employer contributions until September 2020. Should this funding not continue this will impact upon the whole of the education sector; schools, colleges and universities. The College is unable to sustain both TPS and LGPS employer contributions hence the plan to recruit support staff via Nescot Enterprises Ltd.

The College Group cash reserves are forecast to be £7.2M by year end compared to £5.7M at 1st August 2019. The College's cashflow position allows the College to tolerate an adverse outturn deficit in 2019/20.

Financial KPIs as at 31st December 2019.

The Deputy Principal (Finance and Resources) confirmed that the College is performing well against the sector benchmarks and its own targets save for the 3% surplus of total income.

EBITDA is slightly behind target and staff costs as a percentage of income is slightly higher than targeted, but this data includes the staffing required for the addition 218 students.

The Deputy Principal(Finance and Resources) confirmed that the 2019-20 budget and KPIs were being tracked against the £913K operating deficit. The Principal advised the meeting that ELT must be realistic and avoid taking short-term actions to reduce the forecast operating deficit which have unintended or long-term problems/implications for the College. ELT are focussing upon achieving the best budget delivery together with ensuring the quality of the College's building provision.

The meeting thanked the Deputy Principal and the Finance Team for their hard work.

Peter Stamps left the meeting at 12.07.

The Deputy Principal (Finance and Resources) advised the meeting that the new ESFA financial model requires data and commentary spanning 4 years (2018-19 – 2021-22) which entails considerable work together with transposing and reconciling College data to the new model. All Colleges are struggling with the various versions of the new model and the prescribed timelines. The Deputy Principal (Finance and Resources) advised the meeting that the papers will be circulated to governors as soon as they become available but at this juncture she cannot guarantee that they will be published by 18th February (seven days in advance).

<p>30.2 ESFA Financial Model</p> <p>30.3 2019-20 Budget Risk Register</p> <p>30.4 Statutory settlement payments</p>	<p>The Deputy Principal (Finance and Resources) presented the 2019-20 Budget Risk Register as at 28th January 2020. The Deputy Principal (Finance and Resources) referenced the table identifying current performance against each defined financial risk and the associated targets on p7 of the cover sheet.</p> <p>In response to a member question the Deputy Principal (Finance and Resources) advised that she anticipated some improvement in the ASTM income streams but no further improvement in the achievement of Curriculum pay cost efficiency savings as no more could be extracted from the cost base with higher student numbers. However, the additional Local Authority recharges for High Needs have been agreed and so are RAG rated as green.</p> <p>The Corporation noted the 2019-20 Budget Risk Register as at 28th January 2020.</p> <p>The Director of HR advised the meeting that there were no changes to the settlement report since the December meeting. However, given current negotiations there will be updates later in the term.</p>
<p>31.19</p>	<p>REPORTS FROM CORPORATION COMMITTEES REPORT</p>
	<p>Growth Committee 13th January</p> <p>The Chair reported that the January Committee was advised that the College is preparing a tender for a CRM system to be in place by 1st August 2020. The committee was also advised that the College Sales Team is now at full strength thus completing one of the five pillars underpinning the College Sales Strategy.</p> <p>The principal item for discussion was the development of the Commercial Strategy and the balancing of the six areas of commercial activity regarding their varying contribution rates together with the non-financial benefits of curriculum, work experience for students and community engagement. It should be noted that a permanent alternative use of the Rasika Restaurant space is not likely to be agreed ad in place before 1st August 2020.</p> <p>As advised at the December Corporation meeting, ASTM is included as a standing item for the Growth Committee who then feed any pertinent matters through to Finance and General Purposes and the Corporation.</p>
<p>42.19</p>	<p>GOVERNANCE MATTERS</p>
<p>42.1 Instrument and Article Review</p>	<p>The Clerk advised that it is good practice to review the College Instrument and Articles every 2-3 years. The Nescot Instrument and Articles were last reviewed in December 2014. When approved the 2020 version will be posted on the College website.</p>

<p>42.2 Governor self-assessment Questionnaire report</p>	<p>The review consisted of updating government departments (BIS to DfE) and funding agencies from EFA and SFA to ESFA together with correcting typographical, formatting and numbering inconsistencies.</p> <p>The Corporation resolved to accept the revised Instrument and Articles 2020.</p> <p>The Principal tabled the report and advised the meeting that the comments will be considered when planning governor training sessions and reviewing governance processes.</p> <p>The 2018/19 responses demonstrate progress and positive direction of travel compared to the 2016/17 responses.</p> <p>The Corporation noted the report.</p>
<p>42.3 Governor meetings with staff and students</p>	<p>It is proposed that the Governors hold “meet the Governor” sessions in the Seasons Café scheduled for approximately one hour after designated Corporation and Committee meetings once a half-term to enable Governors to gather staff and student feedback and increase their understanding of the College community. The meeting agreed to this proposal and requested that the Clerk identify suitable dates and agree these with the Seasons Café.</p>

<p>43.19</p>	<p>CORPORATION MEETING EVALUATION</p>
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The Chair invited members to review the effectiveness of the Corporation Board meeting.

Comments made included:

- The ASTM presentation was very informative and the assurance that the Partnership is reviewed at monthly ASTM Boards, termly strategy meetings and the Growth Committee is good.
- Staff have faith in the financial management of the College. The whole of ELT and SMT are contributing to the financial management of the College which is essential. As is the avoidance of knee jerk reactions.
- There are considerable challenges ahead and it is important to recognize that the College’s direction of travel is good.
- Challenges are increasing for young people and it is important that the Corporation is aware of this. The Corporation needs to be assured that the College is supporting its students as best that it is able to.
- There will be awkward conversations regarding the fundamental review.
- There is concern regarding ELT workload and wellbeing.
- The Enrichment Programme is reaching out to the student community and generating significant benefits. The unsung heroes, staff and teachers who give up their own time for the enrichment sessions should also be thanked.
- The student voice is making a positive difference this year
- The wellbeing for staff is crucial to enable them to be effective.
- The wellbeing week should become a regular event.
- Caution regarding moving forward; if change takes a little longer than expected; all the better.
- CRM system emphasis is excellent as the Sales team need the right tools.
- How does the College look at different market places, for instance recently released film and television funding? Simon Matthews, Kathryn Stephen (DoF Creative Industries) and Nick Vaughan Barratt are exploring options.

- The Growth Committee considers the College's commercial activities which generate a relatively small contribution to the total Group income (1/30th). The Committee should look more at ASTM and strategic work and reduce the current level of scrutiny of commercial activities.
- HR issues regarding Nescot Enterprises Ltd are exciting but challenging.
- The Corporation papers were not published one week in advance because of the need to prioritize papers for 3 significant meetings on the same day together with the new ESFA financial model.

The Chair acknowledged that the ASTM presentation had exceeded its time allocation. However, it is important that Governors understand the Partnership, in particular the challenges, risks and rewards.

The Chair thanked the members for their contribution and please continue to be critical friends of the College.

44.19	DATE OF NEXT MEETING
The next meeting of the board would take place on 25 th February 2020 at 18.00	
45.19	ANY OTHER BUSINESS
There was no further business and the meeting closed at 12.31.	

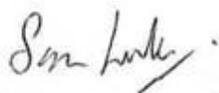
Decisions made:

1. The Corporation confirmed the Chair and Vice Chair of the Corporation and Committee Chairs for 2019-20.
2. The meeting agreed to wait until the new SharePoint was available next term before migrating any data from the VLE to Microsoft Teams.
3. The Corporation resolved to accept the revised Instrument and Articles 2020.
4. The meeting agreed to the proposal to hold half-termly meet the governor sessions in the Seasons Café.

Action agreed:

1. The Clerk to circulate Dilip Amdekar's PowerPoint presentation.
2. The Clerk to provide more information regarding the proposed Mental Health Link governor.
3. The Deputy Principal (Curriculum) to review the suicide attempts data to look for any trends which may help prevention.
4. The Clerk to circulate the Health and Wellbeing programme in the weekly update.
5. The meeting requested that the Terms of Reference for the fundamental review be tabled at the next Corporation meeting of 25th February.
6. The Clerk identify suitable dates and agree these with the Seasons Café.

Signed



Date ...25th February 2020...

Professor Sam Luke, Chair of the Corporation

Author	Josephine Carr
Title	NESCOT Corporation Minutes 7 th February 2020
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