

MINUTES OF THE MEETING OF THE FE CORPORATION – PART TWO

Held on: Thursday 10th December 2020 at 9.30am in Skills Park Board Room and via MS Teams

Note: Part One1 of the agenda – Confidential meeting with all Governors following on from a meeting of the Senior Staff Performance and Remuneration Committee was clerked by the Director of HR and the minutes will be recorded separately

Present: Professor Sam Luke (Chair), Lynn Reddick (Vice-Chair), Margaret Martin, Simon Enoch, Chris Muller, Vince Romagnuolo, Pater Stamps Nick Vaughan-Barrett, John Willis Frances Rutter (Principal), Graeme Hodge (Business Support staff Governor), Jamie Roberts (Teaching staff Governor), Ahmed Almeleh (HE Student Governor)

In Attendance: Maria Vetrone (Deputy Principal Finance & Resources), Cliff Shaw (Deputy Principal Curriculum & Quality), Dario Stevens (Vice Principal Planning & Information), Donna Patterson (HR Director), Sandra Dessent (Clerk to the Governors)

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| 16.20 | 1.0 Apologies for Absence |
| | There were no apologies for absence |
| 17.20 | 2.0 Declarations of Interest |
| | <p><u>Professor Luke</u>: unremunerated Director of NESCOT Enterprises Ltd, North East Surrey College of Technology Trust, NESCOT Holdings Ltd and Epsom Downs Business Centre Ltd.</p> <p><u>Mr Stamps</u>: unremunerated Director of NESCOT Enterprises Ltd.</p> <p><u>Mrs Rutter</u>: unremunerated Director of NESCOT Enterprises Ltd, North East Surrey College of Technology Trust, NESCOT Holdings Ltd and Epsom Downs Business Centre Ltd.</p> <p><u>Ms Margaret Martin</u>: declared her interest as a member of Ewell Rotary Club, and a trustee of Age Concern</p> |
| 18.20 | 3.0 Minutes of the Previous Meeting and Matters Arising |
| | <p>The minutes of the meeting of 6th November 2020 were approved subject to amendments agreed before the meeting. The minutes to be recirculated prior to signature by the Chair.</p> <p>Actions arising from the previous meeting were addressed in the agenda and with regard to investigating alternative arrangements for the FE Award evening the Principal reported that a straw poll had been undertaken and the responses indicated that students were not keen to have a virtual event. Further alternatives were being looked at by Marketing.</p> |
| 19.20 | 4.0 Update Reports |
| | <p><u>4.1 Chairs Report</u></p> <p>The newly appointed HE Student Governor was welcomed to the Corporation and he shared his background and aspirations with the Board.</p> |

The Board were advised that an additional Search & Governance Committee meeting had been scheduled for Monday 18th January to discuss a proposal for the appointment of Chair/Vice Chair and Committee Chairs. The recommendations will be presented to the Board at the next meeting.

Jamie Roberts was congratulated for securing a new role as Interim Director of Service Industries.

The staff were thanked for all their efforts during the year and for working hard to keep everyone safe in challenging circumstances.

4.2 Principals Report

The Principal updated the Board on the Covid-19 safety arrangements for staff and reported that Nescot was only one of two colleges in Surrey that had remained open for students full time.

The plans for the new year would depend on government guidelines and the spread of the virus although a three-week college shut down was beneficial in terms of minimising the circulation of the virus. It was reported that the leadership team would review the situation regularly during the Christmas break.

4.3 IoT Update Report

The Principal presented a paper outlining the process for the bid and the strategic case for being involved with the project. The timescale was anticipated to be around 12 months and if successful the scheme would commence in September 2022.

The Board were assured that if the bid was successful whilst a large part of the funding would be used to create a new facility for higher level technical training in Crawley (being the area of highest need), Nescot would be an equal partner in the management consortium and have the opportunity to input on all aspects of the bid.

It was agreed that full details of the bid model would be circulated to Governors and any questions or queries should be addressed to the Principal.

4.4 HR Staff Wellbeing Update

The Director of HR reported that following the end of the second lockdown the business had returned to normal, albeit with Tier 2 restrictions in place and outlined all the initiatives set up to enhance staff and student wellbeing and safety.

There had been 24 staff cases and 25 student cases mainly caught through family contact. The track and trace had been effective in minimising the spread of the virus and it was noted that the department of public health had complemented the College on its successful use of its own track and trace system, as well as their handling of cases and the procedures that had been implemented.

All furloughed staff had returned to College except for theatre staff.

The staff consultative group continued to maximise opportunities for staff to engage, share experiences and concerns and input into procedures to keep everyone safe.

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| | <p>Staff mental health was being regularly monitored and those that were absent due to mental health issues in the main were not directly related to Covid-19.</p> <p>The Student and Staff Governors commented that overall students and staff appeared to be satisfied and coping well with the arrangements in place and the College were implementing a consistent approach although there was some confusion about the government guidelines for self-isolating.</p> <p>To minimise confusion and assist with comprehension it was requested that all communications with students and staff use plain language and direct instructions.</p> <p>The Chair thanked the Director of HR for a comprehensive summary and expressed thanks on behalf of the Corporation for the good results that were being achieved.</p> |
| 20.20 | 5.0 Student Governor Matters & 6.0 Staff Governor Matters |
| | <p>Following discussion with classmates there was a request from the Student Governor to look at the start time of afternoon lessons and finish time and it was agreed that it would be discuss with Deputy Principal (Curriculum and Quality) outside of the meeting.</p> <p>The Staff Teaching and Support Governors gave verbal updates to the Board and commented on the positive feedback received for Google classroom.</p> <p>In response to a question from the HE Student Governor regarding the dual use of Weblearn and Google Classroom the Board were advised that the HE students would continue to use Weblearn until the Turnitin software was compatible with Google Classroom.</p> |
| 21.20 | 7.0 Compliance Reports |
| | <p><u>7.1 Annual Report & Financial Statements</u></p> <p>The Deputy Principal Finance & Resources presented the final draft Annual Report & Financial Statements of the Nescot Group for 2019/20, including amendments requested by the Audit Committee on 4th December and the Finance and General Purposes Committee on 27th November.</p> <p>Following approval from the Board the Statements were to be electronically signed by the Chair and Principal and sent to the Auditors for signature prior to submission to the ESFA along with other statutory documentation.</p> <p>The Board were advised that the document sets out the status of the business at 31 July 2020 and the future outlook, and would be used to inform the update of the Corporate Plan to be discussed at the next Board meeting in January. The Deputy Principal Finance & Resources presented the financial statements and highlighted key points of finance and governance.</p> <p>Following discussion, the Chair of Audit confirmed that the Internal and External Auditors had been extensively questioned at the Audit Committee to gain assurance on all matters that they were aware of and specifically asked to confirm that no further matters had arisen which needed to be reported after the end of the reporting period up to the date of the Audit Committee. It was further noted all the amendments that were agreed had been incorporated in the document.</p> |

In response to a question regarding the choice of risks included in the Annual report and Financial Statements, the Deputy Principal Finance & Resources confirmed that the risks aligned with the strategic and Covid-19 risk registers and had been rated through due process as 'significant' net risk.

Accordingly, the Board approved the draft Group Financial Statements and Annual report for the year ended 31 July 2020.

7.2 Management Letter of the External Auditors and Letters of Representation

The Board received a report confirming that in line with the Post-16 Audit Code of Practice the External Auditors had audited the 2019/20 accounts and issued an unqualified opinion with regard to the financial statements and for regularity. No external audit recommendations were raised for the reporting period ended 31st July 2020.

It was noted that both the Finance & General Purposes Committee and Audit Committee had reviewed and approved the Management Letter and Letters of Representation.

Having reviewed the External Audit Management letter for the year ended 31st July 2020 the Corporation approved the draft Letter of Representations for signature by the Chair of the Corporation on College letter head.

7.3 Post-16 Audit Code of Regularity Questionnaire

The Board received a report detailing the responses to the ESFA's Regularity Questionnaire designed to provide clarity and assurance on the accountability framework.

The changes from the previous year's questionnaire were noted and the College reported compliance for all the questions raised.

The questionnaire had been reviewed by the External Auditors to inform their Regularity opinion and no issues had been reported.

The Corporation took assurance that the responses in the questionnaire demonstrated the accountability framework was capable of supporting the Corporation's statement on regularity, propriety and compliance and therefore approved the Regularity Self-Assessment Questionnaire for the year ended 31st July 2020.

7.4 Settlement Payments

The Board received a summary of the settlement payments to staff for information which had previously been reported to the Finance & General Purposes Committee.

7.5 Annual Report of the Audit Committee

The Board received the Annual Report of the Audit Committee which covered all the business of the Audit Committee from 1st August 2019 to the year end and confirmed their opinion which reflected that of the Internal Auditors. It was signed by the Chair of the Audit Committee to be forwarded to the ESFA.

7.6 Internal Audit Annual Report

The Internal Audit Report provided the Audit Committee and the Corporation with independent assurances to assist the Corporation in preparing its annual Statement of Corporate Governance and Internal Control within the College's annual financial statements.

The audit assignments were listed, and it was confirmed that a total of 16 audit recommendations had been raised, none of which were categorised as 'high' priority.

The Corporation were assured that the College had an effective and adequate framework for risk management, governance and internal control with some non-urgent enhancements required.

7.7 College Tuition Fees Policy 2021/22

The Tuition Fees Policy was presented, and the Board were informed that it had been previously approved by the Finance & General Purposes Committee. The Board received a tracked and clean version to provide clarity of the changes from the previous policy. It was noted that the cost of FE courses for adult learners had been frozen.

Having reviewed the Tuition Fees Policy for 2021/22 the Corporation approved the policy for publication.

7.8 AoC Staff Remuneration Code of Practice

The code of practice applied to senior post holders i.e. The Principal and Deputy Principal (Finance & Resources) and was intended to assist the Corporation in ensuring that senior post holder pay was controlled.

Details of the practices to be undertaken to ensure compliance with the code were discussed and the Chair of the Senior Staff Performance and Remuneration Committee confirmed that going forward the Committee had reviewed and accepted the code of practice as part of the process for reviewing senior post holders pay.

7.9 HE Assurance Report

The Deputy Principal (Curriculum & Quality) went through a summary of the HE Assurance Report which had previously been reported in detail to the Curriculum & Quality Committee. It was noted that whilst it was no longer required to have the report signed off, it was good practice for Governors to be kept informed and involved with HE policy.

The Board were advised that following the QAA visit in September 2019, there remained one core practice that required improvement relating to insufficient information on enrolment paperwork for ASTML students. The Corporation were given assurance this was being addressed effectively through the Quality Improvement Plan and regularly updated and reported to the partnership Board meetings. It was anticipated that the improvements would be picked up at the next QAA visit who could recommend the implementation of an improvement plan.

It was noted that there had been an improvement in the National Student Survey and higher participation rates than the previous year.

The Chair of Curriculum & Quality Committee confirmed that the Committee agreed with the action plan and the Deputy Principal (Curriculum & Quality) was thanked for his hard work in dealing with the numerous correspondence and communications from the QAA from which he devised robust processes for an acceptable solution.

7.10 College Self-Assessment Report (SAR)

The initial draft SAR had been reported to the Curriculum & Quality Committee and the Deputy Principal (Curriculum & Quality) presented the final draft alongside a summary report.

The main points highlighted were:

- Following agreement by the Curriculum & Quality Committee of provisional self-assessment judgement grades, the Senior Management Team subsequently agreed to increase two grades i.e., Personal Development and Adult Education Programme from Good to Outstanding.
- The main risk area within the SAR was around apprenticeships. Whilst some were performing well, others e.g., Electrical had been placed in Intensive Care and would be monitored as part of the Scrutiny Days held with the faculty Directors.
- It was recognised there were mixed levels of competency teaching Google Classroom and to in order to facilitate consistency there were plans to introduce a Google fundamental skills test/qualification scheme. It was noted that training was available for all staff.

Having reviewed the final draft of the College Self-Assessment report the Corporation approved the document for publication.

7.11 Safeguarding Annual Report

The Corporation received the annual Safeguarding report detailing the number and categories of referrals and emerging trends alongside details of the extensive resources and programmes available for students seeking advice and help.

The Board were advised that bullying incidents were now being reported through safeguarding and to date three incidents had been reported and resolved.

The criteria for the 'wellbeing' category was discussed and questions raised as to whether it was concept or a specific range of symptoms. The Deputy Principal (Curriculum & Quality) agreed to investigate and report back to the Board.

The Corporation were informed that student behaviour in the College was not included in the Safeguarding Report, however it was being monitored and that overall the behaviour of students had been good during the term.

For the SEND (Special Educational Needs and Disabilities) category it was noted that whilst the Board had verbal assurance of the process further information on the actions taken would be useful.

The Board thanked the Deputy Principal (Curriculum & Quality) for an excellent report and were assured that should there be any aspects of safeguarding that needed escalating the Governors would be advised if it were appropriate for them to act.

22.20 8.0 Finance Reports

8.1 Management Accounts October 2020

The accounts for October 2020 were presented to the Corporation having been previously reviewed by Finance & General Purposes Committee on 27th November.

The headline figures were presented as follows:

| College Group | Best case forecast (£000) | Best case budget (£000) | Variance (£000) | Movement in forecast since September 2020 (£000) |
|------------------------------|------------------------------|----------------------------|--------------------|--|
| Total income | 29,837 | 30,121 | (284) |  £284 |
| Total pay expenditure | (17,364) | (17,694) | 330 |  £330 |
| Total non pay expenditure | (12,749) | (12,409) | (341) |  £341 |
| Total expenditure | (30,113) | (30,103) | (10) |  £10 |
| Operating surplus/ (deficit) | (276) | 18 | (294) |  £294 |

*Table contains some rounding error

The variances against forecast were discussed. It was noted that there were some significant income variance. Favourable income variances related to:

- HE Tuition fees from ASTDML and Skills Max Academy - £330k
- ESFA and GLA AEB Covid-19 response funding - £281k
- ESFA funding for small group tuition - £243k
- High needs recharging from local authorities - £195k

However this was tempered by forecast shortfalls as follows:

- Apprenticeships (£840k)
- Commercial Income (£211k)
- Full cost tuition fees (£209k)
- FE tuition fees (73k)

Total expenditure (including pay and non-pay expenditure) of £30,113k was forecast at year end, behind budget with an overall adverse variance of £10k.

Total pay expenditure of £17,364k was forecast at year end, ahead of budget with an overall favourable variance of £330k. This had been achieved by an underspend against wages budget of £257K and a reduction in LGPS annual deficit payments of £73k.

A best-case operating deficit of £276k was currently forecast at year end against a best case budget of £18k operating surplus. Total forecast income was behind target by £284k (0.9%). Total expenditure is also expected to exceed budget by £10k (0.3%).

It was noted that there were gains that fell below the operating line reducing the operating deficit by £25k to a total deficit for the year of £251k. The forecasts demonstrated that it was likely that an operating deficit of £509k would be delivered at year end, mainly due to under enrolment against curriculum plan for both apprenticeships and full cost and HE self-paying learners. Full details were set out in the covering report to the management accounts.

However, it was appreciated that the College had maintained its 'outstanding' financial health status for the year to date and furthermore projected to year end.

It was noted that the Partnerships were currently performing well (ASTML/ABA/Skills Max Academy) and there was confidence that the forecasted 30% profit margins were achievable due to a lean and effective business model and the Governors were assured that due diligence had been applied.

However, it was recognised that the partnership model was being continually updated and improved based on lessons learned. Whilst the direct delivery model could be more tightly controlled and transparent than sub-contractors it was important to be cautious and always be alert to questionable indicators that a business partner was not bona fide. Governors were assured that partnerships would continue to be closely monitored and areas of concern would be double checked.

8.2 Corporation Key Performance Indicators

The Vice Principal presented the revised key performance indicators for 2021 and the proposed targets, and highlighted the following changes from the previous indicators:

Corporation KPI's

- New Indicators - Absence rates (no of days per employee)

Strategic KPI's:

- Removed; Student & Staff computer ratios and medal profiles from international competitions
- New indicators for Employer of Choice; number of staff bonus thank you bonus awarded, % of staff attended CPD and ratio of complaints to compliments.

The aim of the metrics was to enhance the meaning, relevance, and clarity of the indicators for the public to be able to assess the College performance against financial targets and other colleges.

It was noted that the computer ratios were monitored as part of the IT strategy.

Following discussion, the Corporation key performance indicators for 2021 were approved.

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| | <p><u>8.3 KPI's December 2020</u></p> <p>The Corporation received the December KPI's which detailed the progress against agreed targets to date.</p> <p><u>8.4 Strategic Risks Reports</u></p> <p>The Corporation received the updated Strategic Risk Register detail movements in net risk and mitigating management action plans.</p> <p>The six significant net risks were presented in detail to the Corporation in the accompanying report.</p> |
| 23.20 | 9.0 Reports from the Committees |
| | <p><u>9.1 Finance & General Purposes Committee</u></p> <p>Headline student numbers and trends were discussed, and the Chair had requested that an analysis of student contribution by faculty for the past 2-3 years be presented at the next meeting.</p> <p><u>9.2 Audit Committee</u></p> <p>One of the main focuses of the meeting was the Annual Report and Financial Statements which the External Auditor commented was the best that he had seen.</p> <p><u>9.3 Curriculum & Quality Committee</u></p> <p>The draft minutes of the meeting on 4th November were attached and it was commented that there were a substantial number of items on the agenda which resulted in insufficient time for focus and discussion about the HE report. It was therefore agreed to develop a proposal for a sub-committee the terms for which would be presented to the Search & Governance Committee on 18th January with a view to holding the first meeting in the summer term.</p> |
| 24.20 | 10.0 Meeting Evaluation |
| | <p>The Chair invited members of the Corporation to evaluate the meeting. All agreed that it was a good meeting and in addition the following comments were made:</p> <ul style="list-style-type: none"> • Excited about the IoT bid and well done to everybody for keeping the college going. • It has been a very positive end of term from what has been a really tough eight months. • Congratulations to everybody – People who work in education are not generally able to work from home and as well as doing their job they have to make sure all the social distancing and safety measures are in place. This is a unique position compared to a lot of other businesses who can work from home and not worry about all the restrictions. Everyone deserves a restful Christmas. • We need to ensure that all staff are trained in Google Classroom so that they are aware of how to better use the technology. However, recognise that this will involve extra costs. |

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| | <ul style="list-style-type: none"> • The Finance team have made a sterling effort in difficult times to pull this together when the timetable is a week shorter than normal. Congratulations to the Deputy Principal (Finance & Resources) – we are in a very good position with the accounts and there are no outstanding recommendations. That is extremely unusual in my experience of the education sector. • Commendations to all the front-line teams who have been working extra hard this term – well done for completing a huge amount of work. • Congratulations to the Vice Principal and his team for launching the careers hub. I attended the Coast to Capital presentation and the Vice Principal did an amazing presentation and I felt extremely proud of Nescot. Credit to the advice and guidance team who are leading the way in the South-east. <p>The Principal summed up as follows:</p> <p>We are a great team and well done to Deputy Principal (Finance & Resources). We are getting there – we are being noticed and asked to showcase what we are doing, and that is a real tribute to Nescot. We have all worked hard on Google Classroom and moved it forward. Where we have been under great pressure we have been snowed under in some areas and propelled forward in others and Google Classroom has been a key area of propulsion. Everyone has done very well with it and I am very proud.</p> <p>The Chair responded as follows:</p> <p>A huge well done to the team and I am proud of them too. What we have been able to achieve in these tumultuous times has been down to team effort. It has been a massive effort by each and every person, so let's keep moving from good to great. The comments about what we ought to continue to do are right – let's not take our eye off the ball. I am a huge Formula One fan and if you saw the Formula One team in Bahrain recently, it demonstrated what happens to a high performing team when they get some things wrong due to complacency. We need to remind ourselves not to be complacent.</p> <p>Enjoy Christmas but stay safe. Relax and come back and continue with the great work we need to do to get our students into employment.</p> <p>So, thank you everybody – have a great Christmas and enjoy it.</p> | | | | | | |
| 25.20 | 11.00 Any Other Business | | | | | | |
| | There being no other business the Part 1 of the meeting concluded at 12.40 | | | | | | |
| 26.20 | Date and Time of the Next Meeting: Friday 29th January at 9.00am followed by Corporation Conference | | | | | | |
| 27.20 | <p>Future Meetings and Events</p> <table border="1" data-bbox="284 1745 1382 1927"> <tr> <td data-bbox="284 1745 883 1829">Additional Meeting: Search & Governance Committee</td> <td data-bbox="883 1745 1382 1829">Monday 18th January at 6.00 pm</td> </tr> <tr> <td data-bbox="284 1829 883 1881">Finance & General Purposes</td> <td data-bbox="883 1829 1382 1881">Friday 25th January 6.00pm</td> </tr> <tr> <td data-bbox="284 1881 883 1927">FE Corporation & Conference</td> <td data-bbox="883 1881 1382 1927">Friday 29th January 9.00am</td> </tr> </table> | Additional Meeting: Search & Governance Committee | Monday 18 th January at 6.00 pm | Finance & General Purposes | Friday 25 th January 6.00pm | FE Corporation & Conference | Friday 29 th January 9.00am |
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| FE Corporation & Conference | Friday 29 th January 9.00am | | | | | | |

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| Governor Scrutiny Day | Wednesday 24 th February 10.30am |
| Curriculum & Quality | Wednesday 22 nd February 6.00pm |
| Search & Governance | Wednesday 10 th March 6.00pm |
| Audit | Friday 12 th March 9.00am |
| Finance & General Purposes | Friday 19 th March 9.00am |
| FE Corporation & Conference | Friday 26 th March 9.00am |

Documents Approved by the Corporation:

1. Draft Group Annual Report and Financial Statements 2019/20
2. Draft Letter of Representations (for signature by the Chair on letter head)
3. Regularity Self-Assessment Questionnaire for year ended 31st July 2020
4. Annual Report of the Audit Committee
5. Tuition Fees Policy 2021/22
6. Self-Assessment Report (SAR) 2019/20
7. AoC Staff Remuneration Code of Practice
8. Corporation Key Performance Indicators and targets for 2020/21

Actions:

1. Further details of the Institute of Technology (IoT) bid model to be circulated to Governors.
2. Investigate start and finish times of classes.
3. In Safeguarding, look at the concept of 'wellbeing' and how it is reported.
4. Further information on the SEND actions
5. Agree the terms and conditions for an HE sub-committee and schedule a meeting for the summer term.

Signed



Date...29th January 2021...

Professor Sam Luke, Chair of the Corporation