

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

* Attendance at the meeting = 75%

01.18	MATTERS FOR REPORT
01.1 Chair's report	<p>The Chair drew members' attention to the 'Love our Colleges' campaign being organised by the AoC in partnership with UCU, Unison and the NUS which highlighted the case for increased funding for colleges after years of reductions.</p> <p>The Chair commented that the College was facing a tough year ahead with significant challenges to its finances. He believed that the governing body was strong and he reinforced the role of governors as being a critical friends, holding the Principal and senior management team to account.</p>
01.2 Corporation Conference	<p>Following feedback from last year's conference, this year two 1 day conferences for governors and SMT would be held; the first one would take place on Friday 19th October.</p>
02.18	APOLOGIES FOR ABSENCE
<p>Apologies for absence were received from the following governors: Gloria Ozolua, Dr Martin West and Maureen Kilminster.</p>	
03.18	DECLARATION OF INTERESTS
<p>The Chair reminded Members to declare any interest that they may have in any of</p>	

the items on the agenda. Frances Rutter, Professor Luke, Chris Muller and Peter Stamps declared their interest as unremunerated directors of NBS. 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.

04.18	MINUTES
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The minutes of the meetings held on 06 July 2018 and 26 July 2018 were approved as a correct record.

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

70.1 Principal's Report – ESFA minimum standards notice of concern. The College had requested that the ESFA remove the notice and governors would be kept informed regarding progress (**ACTION: CS**).

It was reported that ESFA had seen that headline achievement rates in the areas of concern had now improved but that formal removal of the notice of concern would not occur until after submission of the ILR¹ in November.

Other matters of update were: -

- In response to questions about succession planning the Principal reported on staff training plans.
- The celebration of student success scheme was being re-launched.
- In response to a question about the seriousness of the fines for a data breach under GDPR the College drew attention to the recent internal audit report, which stated that NESBOT was ahead of other colleges in this regard. The issue was highlighted on the College Risk Register.

06.18	STUDENT MATTERS
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The new student governor said that he would present a fuller report at the next meeting. He highlighted the following matters: -

- Tutorial Lessons
- Use of the 'NesComms' app
- Sports hall access for students
- Waiting times at the Refectory and Starbucks

¹ Individualised Learner Record (ILR)

07.18	STAFF MATTERS
There were no matters of report.	
08.18	SAFEGUARDING, PREVENT AND HEALTH AND SAFETY²
<p>The Deputy Principal (Curriculum) updated governors about recent changes in the safeguarding staff team including the appointment of 9 new Progress Coaches who will deliver cross college tutorials and be the main point of contact for students and their parents/guardians. It was also noted that: -</p> <ul style="list-style-type: none"> • The safeguarding and progress coach team received detailed safeguarding update training in September. All staff received safeguarding train on the July CPD day. • The college e-safety filtering, blocking and reporting system has been upgraded and rigorously tested by a group staff and age-appropriate students. Some refinement to the configuration is being undertaken to ensure that curriculum areas can access appropriate materials used in lessons. • Safeguarding policy and procedures have been updated to make them clearer, concise and to take into account new legislation and college developments around criminal disclosures, 14-16 year olds on site, higher education students and partnership working. • Academic staff also attended workshops as part of the July CPD on the following themes: - <ul style="list-style-type: none"> - mental health; - FGM and honour based violence; - sexual violence; - domestic abuse. • Teams have been relocated to a new 'Student Health and Well-being' area in the North wing to provide a central and visible service to students. • The College was introducing the specialist 'MyConcern' safeguarding software system. <p>The following safeguarding referrals data was reported: -</p> <p>Safeguarding Referrals Update 27.09.18</p> <ul style="list-style-type: none"> • Red x 2 • Amber x 2 • Green x 12 • Closed x 12 (after assessment were not safeguarding cases) 	

² Standing item

Reason Description	
SG: Alcohol/Substance misuse	1
SG: Bullying and Harassment	1
SG: CSE	3
SG: Housing/Homeless	6
SG: Mental Health	4
SG: Safeguarding Other	4
SG: YOT/CP/YC	8
Welfare	1
TOTALS	28

Governors asked about how red-rated cases were handled and how the numbers compared to the same time last year. In response College management commented that cases were often complex requiring a range of interventions by various agencies. The number of cases was comparable to last year.

Governors also asked about how the College ensures that every student knows what to do if they had a safeguarding concern. The College explained that

- Safeguarding is covered in the all-college tutorial programme for students
- All students complete online courses ('Learning@College')
- The Principal discusses the arrangements for safeguarding in her address to all new students.
- The safeguarding officer for each day is displayed at reception.

The student governor confirmed that he was aware of the safeguarding arrangements

RESOLVED: that the safeguarding report be noted.

09.18	STRATEGIC REPORTS
08.1 Principal's Report and Staff Survey	<p>The Principal reported that the new intake of students seemed well behaved and were adhering to the policies on wearing IDs.</p> <p>The staff survey results were covered in the slides prepared for the all staff meeting next week and circulated to governors. The response rates was disappointingly low (246) but higher than last year. The main themes in the survey were</p> <ul style="list-style-type: none"> • SMT visibility (as in previous years) • Staff awareness of Governors, their role and how to contact them (as in previous years) • Reward and recognition • Vertical communications • Communications between departments

08.2 Strategic Plan and KPIs

- Ease of movement and access for people with disabilities

The Principal commented that the negative comments had to be taken seriously and responded to. She and SMT members were going to undertake learning walks in the next few weeks; SMT held a monthly drop-in surgery. Staff commented adversely about the low level of pay award last year which was for a 1% consolidated increase. Even this was really unaffordable in the current funding environment and it was clear that the pay gap between teachers and GFE college tutors was widening. The Principal also said that she and SMT did listen to staff members' views but didn't always make the decisions that some staff members wanted.

It was proposed to undertake further work to get underneath the feedback in the survey. Consideration was being given to establishing a small corporate group without senior management present to get more granular information about staff members' views. The College currently operated a Staff Consultative Group. Other ideas included holding regular Principal's coffee mornings.

Governors said that clear communications were vital: management should explain why it was not possible to implement all staff requests and suggestions. Some of the aspects of the staff survey feedback had been identified in discussions with staff in link visits.

Other ideas included having a short pulse survey twice per year to get a snapshot of the staff 'health' and to have action plans put in place to address legitimate issues. This sort of approach was becoming commonplace in the private sector.

Other matters of report included: -

- An exciting collaboration with Huawei had been agreed which would see the College as the exclusive UK FE partner of Huawei in their global IT challenge competition.
- Two Nescot students, Shane Carpenter and Cameron Barr from Computing, had been awarded medals of excellence in the recent World Skills European finals in Budapest.
- Alex Galloway, a NESOT motor vehicle apprentice recently won a SATRO award.
- The recent open evening had been very successful – 1363 visitors attended which was one of the best ever

	<p>turnouts.</p> <p>RESOLVED: that the Principal's report be noted.</p> <p>The strategic plan development process was coming to an end. The draft key priorities and supporting leading and lagging indicators were set-out for agreement. A full discussion would take place at the forthcoming governors' conference.</p>
09.18	CURRICULUM MATTERS
09.1 GCSE English and mathematics and Functional Skills results 2018	<p>The Deputy Principal presented the provisional GCSE and English and mathematics and Functional Skills results for 2017-18 academic year. The following outcomes were highlighted: -</p> <ul style="list-style-type: none"> • GCSE English high grades are improved when compared to the previous year and are marginally below the old national averages for 16-18 year olds, but above the old national averages for 19+. • GCSE mathematics has declined and is now marginally below the old national averages for 16-18, but is further below for 19+. However, the updated GFE averages are due to arrive shortly based on recent college returns (GFE MIDES). • The latest national averages are not yet published so the college rates will be reviewed against these when available and CQC³ will be informed. It is not yet known if national averages will be higher, lower or unchanged. More information available in October. • There is positive grade improvement across both subjects i.e. the extent to which students improved on their original grade (English = +0.14; mathematics +0.12). • Functional skills results for 16-18 students at NESOT have declined by 2.8% and increased by 10.5% for 19+ students. Performance is significantly higher for 19+ students for on-campus provision and partnership provision. • The most able students would be allowed to resit GCSEs in November. • A number of students are being put in for re-marks on the basis that they only missed a higher grade by 1

³ Curriculum and Quality Committee

**09.2 Deputy
Principal's
Teaching,
Learning and
Assessment
Report**

mark, the majority of these are in English as the Head of Maths has reviewed the students' marked papers and feels that this was fair and accurate.

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In discussion a staff governor commented that new approaches to English and mathematics teachers should be considered including shorter more intensive delivery models. The Deputy Principal commented that for some students end-loading the assessment at the end of the year was not proving to be effective. The new qualification was proving challenging for some students in terms of understanding the questions. An updated English and maths strategy would be taken to the next meeting of Curriculum and Quality Committee.

The Chair commented that we should touch base with Blenheim who had achieved excellent results in maths and English and we might be able to learn something from their approach.

RESOLVED: that the update on English, maths and functional skills be noted.

In his curriculum report the Deputy Principal (Curriculum) advised that the College had changed the framework for lesson observations. The previous approach used 'progress' judgements. These judgements risked failing to recognise the actual standard and level of performance. It has been decided to adopt a clearer statement of outcome that

- sets the bar high;
- create consistency and sustainability;
- drive high achievement; and
- enables a greater focus on the craft and impact of practice on quality and standards of student work.

All practitioners will be observed each year and depending on the outcome there may be further observations. Outcomes ('outcomes' replace the term 'grade' or 'judgement') will be determined in relation to how comprehensively and effectively a practitioner meets the Nescot Standards for their role type / job. The standards are written at a level that describes excellence. There are four outcomes viz.

09.3 Ofsted Readiness

Comprehensively meets Nescot standards with no or very few minor development needs identified	Meets the significant majority of Nescot standards with some relatively minor development needs identified	Not yet meeting the majority of Nescot standards with a number of development needs and requiring further support	Has only met a small number / has failed to meet any Nescot standards resulting in a number of significant development needs
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All of the roles involved in supporting students are covered by the framework i.e. teacher, assessor, progress coach, learning support assistant, tutor demonstrator. The period of notice for observations has not changed. Wherever possible subject specialists will be involved in lesson observations. All observers are trained by the Deputy Principal who also moderates the outcomes.

RESOLVED: that the curriculum report be noted.

Governors discussed the AoC good governance framework in relation to inspection. The key requirement were that governors understood their role, involving: -

- knowing and understanding the college’s mission and the strategy for getting there
- know how well the College is performing (teaching, learning and assessment, outcomes, progression and destinations, employer satisfaction)
- challenging and hold leaders and managers to account
- help to ensure that learners are safe ...
- being aware of the impact on students of decisions of the governing body and actions of the College i.e. impact over process.

The Ofsted inspection process for governors was not a test on governors’ knowledge of delivery detail (the role of managers). Rather it is a process that will seek assurance about the quality and impact of governance and members’ understanding of and implementation of their role.

RESOLVED: that the report on Ofsted readiness be noted.

10.18

FINANCE MATTERS

10.1 Management

The Deputy Principal (Finance and Resources) presented the July 2018 management accounts for the 2017/18 academic

Accounts as at July 2018

year which included a forecast final outturn for the year. The following points were highlighted: -

- The financial performance of the College is slightly ahead of target at 31 July 2018.
- An operating surplus of £25k is forecast as the final outturn against a budgeted surplus of £14k.
- Additional income of £1,300k is forecast as final outturn, although additional expenditure of £1,289k has also been incurred.
- The key financial pressure points were:
 - **Financial pressure point 1:** Additional LGPS charges of £468k from finalised FRS102 actuarial valuation 2017-18 (September 2018).
 - **Financial pressure point 2:** £781k loss of income from under-enrolment against Curriculum Plan of fee paying learners in HE, FE and from full cost courses.
 - **Financial pressure point 3:** Underperformance of the following commercial operations against business plans (-£130k).
- **Key financial ratios at 31 July 2018** are on budget or slightly ahead. However, the pay expenditure ratio remains high at 64.3% of income.
- **Balance Sheet** remains strong. High solvency and liquidity. Cash balances are at £6.69m, ahead of budget.
- **Forecast cash days in hand** are 96, ahead of budget and ahead of the sector benchmark.
- **EBITDA was ahead of sector benchmarks** but below that required to provide for a sustainable level of reinvestment in the College in the longer term.
- The College is expected to maintain its **ESFA 'outstanding' financial health status** for the year 2017-18.

Governors were reminded that earlier in the year the College had issued a 'profit warning' about the financial performance of the College. Robust and immediate actions had been taken to address the budget shortfalls caused by the identified financial pressure points. The segmental analysis in the management accounts showed very clearly how the College had been able to bear down on costs in some of the large expenditure lines. For example savings in support costs of £687k had been made in year; growth in partnership work had

also offset some of the large shortfalls elsewhere in the budget.

Governors noted that the College had a very large debtor linked to one of its partnership projects and that an increase in bad debt provision associated with this partner had been made. Had the provision not been made, the forecast outturn would have been a surplus of £225k. They also noted that two thirds of FE colleges were now operating with deficits. The College had set a target of 3% surplus in its financial strategy and again this year had failed to achieve it. Very few colleges were achieving 3% returns.

Following a presentation by the Deputy Principal (Finance & Resources) on the College's pension arrangements and in particular the LGPS arrangements and actuarial valuation for 2017-18, there was a detailed discussion about the pension costs that had again impacted adversely on the College forecast outturn. In the case of the TPS the college's assets and liabilities are not separately identifiable as it is part of a national scheme. It is simpler from an accounting point of view. In the case of the LGPS through Surrey County Council, assets and liabilities are visible and are identifiable against College current and past employees. More complex accounting rules apply. The impact upon the College's finances and in the College's accounts are less predictable and have been more turbulent in recent years since the introduction of the new accounting standards (FRS102). Movements in the College's LGPS pension assets and liabilities impact on the I&E account and are affected by the fund's performance in the market, actuarial assumptions related to the rate of pension increase for the College's retired and deferred members, and assumptions about pay increases for College staff. The value of the employer contribution into the LGPS in 2017/18 was £1,073.3k (£774.9k for the TPS) i.e. £1.8m annually. The total cost of the College's pension schemes, including LGPS deficit reduction and interest payments, is £2,531k in 2017/18.

In particular in the current year the College had been presented with unbudgeted charges of £444k from the LGPS at the end of the accounting period. This was in addition to a charge of £222k already provisioned in the I&E account for interest charges relating to the deficit on the value of the scheme – currently £8.8m. The additional charges from the LGPS arose from the 2018 **annual** actuarial valuation of the scheme including assumptions about pension increases (the scheme is inflation-linked), mortality rates, salary increases

	<p>The staff governor asked about the impact of the additional resources that had been brought in later in the year to try to boost applications and whether that might have had more impact if it had been brought in earlier. The Principal said that the lesson from this enrolment round was that the College needed to up its game in terms of the robustness of its marketing and publicity strategies. It was also noted that those subjects where enrolments had dipped the most were those where schools were able to offer vocational options.</p> <p>RESOLVED: that the report on student recruitment and the adverse financial impact on the College be noted.</p>
<p>11.18</p>	<p>REPORTS FROM COMMITTEES</p>
<p>11.1 Finance & General Purposes Committee</p> <p>11.2 Growth Committee</p> <p>11.3 Apprenticeships audit report and action plan</p>	<p>The minutes of the meeting of the Finance and General Purposes Committee held on 14 September 2018 were noted.</p> <p>The minutes of the meeting of the Growth Committee held on 10 September 2018 were noted.</p> <p>The Audit Committee had agreed that the internal audit report on apprenticeships be brought to the Board as a matter of priority. The report had identified ‘a number of exceptions where NESOT has not complied with the Funding Rules. The exceptions identified have resulted in errors in the funding being claimed...’ The report also found a number of significant issues that require immediate management attention. These issues predominantly related to the standard of documentation maintained and particularly the lack of clarity around costing for each apprentice; off the job training; and non-compliance issues with the drafting of commitment statements. Also noted was the inconsistency in start dates between contractual documentation and attendance registers; and lack of sufficient information regarding employment hours and English and maths provision.</p> <p>The auditors raised 12 recommendations in total with three ‘High’, five ‘Medium’ and four ‘Low’ priority actions. The College had accepted the recommendations and had undertaken urgent report to implement the recommendations through its action plan, details of which were presented to governors.</p> <p>RESOLVED: That the internal audit report covering Apprenticeships and the action plan showing progress to date be noted.</p>

12.18	GOVERNANCE MATTERS
12.1 Governor Impact and Link Scheme	<p>Governors reviewed a draft paper that sought to evaluate the impact of governors in improving standards of teaching, learning and assessment and other aspects of the student experience. This included the governor link scheme that had been operating for two years. The Clerk requested that governors feedback to him by email if they had any further comments about governor impact (ACTION: ALL).</p> <p>The 2018/19 governor scheme was introduced. A report template had been developed including impact tracking proforma. Governors would receive departmental data and contextual information in advance of their visits.</p>
12.2 Meeting Evaluation	<p>As part of its commitment to improving governance effectiveness the Chair invited each member to comment about the value of the discussions and any areas for improvement. There was agreement that the meeting had been effective and there had been considerable challenge to the College by governors. The Chair thanked colleagues for their contributions to the meeting.</p>
13.18	DATE OF NEXT MEETING
19 October 2018 (Conference) ⁴ & 13 December 2018 (FE Corporation).	
14.18	ANY OTHER BUSINESS
There was no further business.	
15.18	CONFIDENTIAL ITEMS
A record of the discussion of confidential matters is lodged in the confidential minute book.	

Signed

Date

Professor Sam Luke, Chair of the Corporation

Author	David Round
Title	NESCOT Corporation Minutes 05 October 2018

⁴ Postscript - the Clerk notes that the meeting had subsequently to be postponed until later in the term.

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Meeting\NESCOT Corp Minutes 051018 Draft v3.docx