

<b>PRESENT*</b>	<b>IN ATTENDANCE</b>
Professor Sam Luke (Chair) Peter Stamps (Vice Chair) Frances Rutter (CE & Principal) Dr Martin West Lynne Reddick Chris Shortt Chris Muller Catherine Biscoe Sally Pritchett <sup>1</sup> Margaret Martin <sup>2</sup> Graeme Hodge (Support Staff Governor) Jamie Roberts (Teaching Staff Governor) Maureen Kilminster Emily Hall (Student Governor - FE) Alexandra Cartmell <sup>3</sup> (Student Governor - HE) Kieran Sainsbury (Student Governor) - HE	Carol Martin (Deputy Principal) Dario Stevens (Vice Principal, Planning and Information Services) Maria Vetrone (Deputy Principal, Finance & Resources) Donna Patterson (Director of HR)  David Round (Clerk to the Corporation)

\* Attendance at the meeting = 94%

<b>01.17</b>	<b>MEMBERSHIP AND GOVERNANCE</b>
01.01 The Appointment of the Chair & Vice Chair	The Chair and the Vice Chair withdrew from the meeting for consideration of this item. The Clerk took the Chair.  <b>RESOLUTION:</b> that Professor Sam Luke be appointed as Chair of the Corporation for a further year and that Mr Peter Stamps be appointed as Vice Chair for the academic year 2017/18.  The Chair and the Vice Chair joined the meeting. Professor Luke took the Chair.
01.02 Appointment of new Governors	Following consideration of the recommendation received from the Search and Governance Committee, it was <b>RESOLVED</b> that:- <ol style="list-style-type: none"> <li>1. Ms Margaret Martin be appointed to the Governing Body for a term of office of two years commencing 06 October 2017.</li> <li>2. Ms Sally Pritchett be appointed to the Governing Body for</li> </ol>

<sup>1</sup> From item 2.0 onwards.

<sup>2</sup> From item 2.0 onwards.

<sup>3</sup> The HE Student Governor share voting powers; only 1 Member has voting powers at any one time.

	<p>a term of office of two years commencing 06 October 2017.</p> <p>Ms Martin and Ms Pritchett joined the meeting at this point.</p> <p>The Board noted the appointment of Mr Jamie Roberts as the duly elected Teaching Staff Governor for a period of two years with effect from 01 September 2017.</p> <p>The Board noted, after nomination by the student body, that the following be appointed Student Governors with effect from 01 September 2017 for a period of one year: -</p> <p>Ms Emily Hall – FE Student Governor  Ms Alexandra Cartmell<sup>4</sup> – HE Student Governor  Mr Kieran Sainsbury<sup>5</sup> – HE Student Governor</p>
<b>02.17</b>	<b>CHAIR'S REPORT</b>
	<p>The Chair welcomed all of the new Governors to the meeting and encouraged the Student Governors to ensure that the student voice was heard loud and clear at the Board. He emphasised the values that the Governors followed in their work which were integrity, transparency and openness to challenge and change. The College had first class facilities and more investment in facilities would be provided. The challenge and the aim was to achieve an Ofsted rating of 'Outstanding'. To do all of these things required a sound financial base, a commitment to a growth mindset underpinned by quality and the development of the capacity of our young people. All of the Governors were committed to NESCOL being the 'College of Choice'.</p>
<b>03.17</b>	<b>APOLOGIES FOR ABSENCE</b>
	<p>Apologies for absence were received from Gloria Ozolua.</p>
<b>04.17</b>	<b>DECLARATION OF INTERESTS</b>
	<p>The Chair reminded Members to declare any interest that they may have in any of the items on the agenda. Frances Rutter, Professor Luke, Chris Muller and Peter Stamps declared their interest as unremunerated directors of NBS. Maureen Kilminster noted her position as the previous Principal of Brooklands College and a trustee of Surrey Lifelong Learning Partnership. 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.</p>
<b>05.17</b>	<b>MINUTES</b>
	<p>The minutes of the meeting held on 07 July 2017 were approved as a correct record subject to the following correction</p>

<sup>4</sup> Nominated HE Student Governor with (transferable) voting powers

<sup>5</sup> HE Student Support Governor without voting powers

**90.3 Management Accounts, May 2017: 'NESCOT had no bank borrowings'.**

**06.17 MATTERS ARISING**

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

**82.16 – English and Mathematics Feedback report**

In response to a recommendation from the link governor for English and Mathematics that feedback times for students be shortened it was reported that the College had amended the policy requiring formative feedback to be given within 1 week; the deadline for summative feedback would remain 3 weeks.

**72.17 Student Matters – promotion of student clubs and societies.**

It was reported that the working group had been established with student governors led by the Business Support Staff Governor.

**94.16 NBS Ltd**

It was reported that the College had completed the legal processes in Saudi Arabia to separate from NCL on 17 August. The College's external auditors were looking into whether Group Accounts would be required in 2017/18: a decision would be reached following review of the NCL Management Accounts in November. The College's auditors were scheduled to work with the NCL auditors in Saudi Arabia to complete the Group year-end processes for the 2016/17 Financial Statements.

**07.17 STUDENT MATTERS**

Student governors gave strong support to the establishment of clubs and societies for students. It was suggested that flyers and posters be used to promote the initiative. The College noted that a small budget had been set-aside and that student governors would play a major role in the working group.

**08.17 STAFF MATTERS**

There were no staff matters.

**09.17 SAFEGUARDING, PREVENT AND HEALTH AND SAFETY<sup>6</sup>**

The meeting reviewed the updated College Safeguarding policy, which included the PREVENT duty. The attention of governors was drawn to the change in the policy reflecting the requirement that the College had a duty to advise the ESFA if anyone at the College or at a subcontractors' premises was subject to an investigation by the local authority or police. Governors were reminded about the definition of safeguarding which included a broader responsibility to promote the welfare of young people.

Governors received an update about the status of safeguarding referrals at the start of term and the support that was in place. The College Safeguarding team comprised three posts (2 fte) who included a former Police officer and a former Youth Worker. All students complete a 'Learning at College' online module on safeguarding and

<sup>6</sup> Standing item

PREVENT. There were 45 safeguarding referrals at the start of term (2.5% of the 16-18 student population) of which 1 was Red, 10 Amber and 34 Green.

**RESOLVED:** that the College Safeguarding as amended (Sept 2017) be approved.

The Principal delivered a presentation entitled 'Safe and Secure'. It was noted that the College had updated its student charter which was called now the 'NESCOT Community Charter'. Students agreed to

3. Display my Nescot badge
4. Respect myself and others
5. Respect the environment
6. Behave responsibly
7. Strive for success

A whole-College campaign had been initiated at the start of term to get students to wear their NESCOT ID involving all managers and senior staff patrolling areas of the College to challenge students to wear their ID. Following this initial settling-in period students had been advised that there was now a 'No ID, No Entry' policy. The Principal commented that she was pleased with the response of students. It was reiterated that the College had a zero tolerance policy in relation to drugs and alcohol for students on College grounds. Governors also noted that the College Restaurant had a licenced bar.

Details of the response to two recent incidents were noted. The Chair had been briefed by the Principal. Governors were assured that the College followed a no risk approach and that the appropriate action had been taken. Security had been strengthened and there was closer control over points of entry into the College. It was noted that the context was that there had been 2 incidents amongst a student body of 1800+ students. Governors asked about communications with parents in relation to these matters and recommended that every effort be made to ensure that accurate information was conveyed to parents/carers to allay fears and to safeguard the reputation of the College. Staff governors commented that the student body this year had an improved work ethic and was better behaved overall compared to last year.

There was a discussion of the recent Fire Alarm test and student governors encouraged the College to improve communications across the College. It was noted that all rooms were checked and locked by the appropriate officer. The Deputy Principal was to review College Security and Fire Drill arrangements (**ACTION: MV**).

**10.1 The Principal's Report**

The Principal's report was received noting: -

8. The enrolment process had gone well and staff had worked long hours to ensure this.
9. The physical environment at the start of term had been a challenge as there was a significant amount of unfinished building works. The car park and landscaping works were continuing during enrolment but contingency arrangements had been put into place which had worked well. The Refectory refurbishment had been significantly delayed because asbestos had been found in the kitchen area; again, contingency arrangements had been put in place and students had been able to obtain hot food. Both car park and refection projects would be completed by half-term.
10. Enrolment of 16-18 students was currently above target and the early indications were that the number of early year withdrawals were down compared to last year (5% this year; 13% last year). In response to questions from governors about the strategy to minimise early withdrawals, the meeting was advised that the College had adopted a 'swap not drop' policy and was working very closely with Faculty Directors, Heads and teaching teams to retain students. The Deputy Principal and Vice Principal met with Directors of Faculty on a weekly basis to review the case of each potential student withdrawal and the actions that have been taken to retain them. Only the Deputy Principal could authorise the withdrawal. The impact of the new procedure had been to reduce the incidence of early withdrawals this year. It was also noted that of the 88 who had dropped-out the majority did not attend at any point. The College closely scrutinised student attendance particularly at the start of the year and students with low attendance patterns were identified as 'at risk' for appropriate interventions
11. The early intelligence about why students withdrew or did not attend was because they stayed at school in the 6<sup>th</sup> form, opted for a college nearer home or had chosen an apprenticeship route. In discussion about the opportunities to put on programmes in January, it was noted that the College had previously offered pre- apprenticeship preparation programmes ('Traineeships')

particularly for NEETS<sup>7</sup>; however, student outcomes on these programmes had not been good previously.

12. The provisional results<sup>8</sup> for GCSE English and Mathematics were disappointing again overall but there had been a welcome improvement in Mathematics results which were now significantly above benchmark, albeit using last years' benchmark figures. English results had fallen to 15% A\* to C from 17% for young students. This area was one of huge challenge going forward particularly as new students would be re-sitting the new 9-1 syllabus. In response to questions from governors, the informal feedback from other colleges was that results overall had dipped nationally. It was also noted that there were about 20 appeals to Examination Boards. It was further pointed out that NESCOL had recruited a new Head of English late in the academic last year who had achieved good results in the 9-1 syllabus at her previous college. It was hoped that these changes would have a positive effect. Over 1000 students at NESCOL were now taking English and Mathematics resits which represented an enormous increase over previous years' entries. The Principal intended to give the ownership of English and Maths to the vocational areas.

13. An update on bids to the LEP was given. The College was awaiting the outcome of a bid to the Local Growth Fund.

14. The QAA visit (higher education) was due to take place next week.

15. The successes of NESCOL students were noted. Shane Carpenter was a member of the UK World Skills team who would be competing in Abu Dhabi later in the month. The College wished him well in the competition. A total of 4 NESCOL students had been selected to compete to join the UK World Skills team in Russia next year. Emma Wakefield was voted the winner of the Apprenticeship Achievement award sponsored by The Coleman Charitable Trust at the SATRO STEMX awards in September. Another NESCOL student Sonny Kennedy was highly commended. Governors strongly encouraged the College to maximise the publicity benefits of these awards (**ACTION: FR/CMa**).

The Principal's report was received.

10.2

The timeline for the update of the College Strategic Plan was

<sup>7</sup> 'Not in Education, Employment, or Training students'.

<sup>8</sup> Final results would be available at the end of October.

<p><b>Management Review &amp; Strategic Plan</b></p> <p><b>10.3 Management Accounts, July 2017</b></p>	<p>noted. The Principal advised governors about the outcome of the management review.</p> <p>The Corporation received the management accounts as at 31 July 2017. It was noted: -</p> <p>The financial performance of the College is ahead of target at 31 July 2016.</p> <p>An operating surplus of £100k is forecast as the year end outturn (0.4% of total forecast income) against a budgeted surplus of £41k.</p> <p>Although additional income of £1,939k has been generated, additional expenditure of £1,881k has also been incurred.</p> <p>There were two financial pressure points during the year that had an adverse effect on the forecast operating surplus: (i) £560k under-enrolment of adult (19+) learners; and (ii) £246k of additional late examination and registration charges from an HEI partner.</p> <p>Key financial ratios remain positive, although pay expenditure ratio is increasing and now at 67.47% of income.</p> <p>The Balance Sheet is strong. Cash balances are reducing but more slowly than expected in recent months.</p> <p>Cash days in hand were 159 at 31 July 2017.</p> <p>The College is expected to maintained its 'outstanding' financial health status for the year 2016-17.</p> <p>FRS102 actuarial valuation for 2017 had been flagged as a potential risk to the delivery of the budget in previous management accounts. The Corporation was advised that this risk had now materialised and a sum of £222k would be charged to the Income and Expenditure account. This would have the effect of wiping out the forecast surplus of £100k and potentially drop the College into a small deficit at year end, although it was hoped this could be avoided. It was noted that the adverse actuarial valuation had arisen from the Local Government Pension Scheme. Because the Surrey LGPS assets and liabilities are more visible at a local level compared with the larger national Teachers' Pension Scheme, the College is more at risk from changes in actuarial valuations attributable at an organisational level. With the recent new accounting rules imposed by FRS102, LGPS pension accounting is more volatile</p>
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and any year end funding shortfalls at a College level now impact the income and expenditure account rather than reserves in the balance sheet. This can also result in volatile changes in pension liabilities and a demand for larger pension deficit reduction payments. Valuations take place on a triennial basis to lock down the LGPS employer contribution rate and the annual deficit reduction payments for three years. FRS102 valuations also take place annually, which result in additional annual interest charges to the income and expenditure account (rather than balance sheet reserves). Last year the College had successfully challenged the triennial actuarial assumptions made by Surrey. The challenge this year did not change the adverse impact on the income and expenditure account but did reduce the LGPS net liability in the College Balance Sheet for 2016-17 by £1.1m to £7.8m instead of increasing by £1.3m to £10.3m. The net effect of this will also reduce the charge to the I&E account from £281k to £222k in 2017-18.

The 2016/17 financial statements were due to be audited in the coming week. The final position would be affected by a number of factors which were (i) the final funding claim to ESFA; (ii) £390k of learner achievement; £269k of accrued annual leave and the final LGPS actuarial valuation for 2017.

The high-level financial performance of the College in 2016/17 was summarised as follows: -

Outstanding financial status from ESFA has been maintained;

The College has been able to afford to invest 3% of total income in capital projects;

An operating cash position of 60-100 days has been exceeded and despite a significant investment in the campus the College had managed to maintain its strong cash position; and

A failure to achieve an outturn position of at least 3% surplus against total income.

Governors discussed the pension scheme issues. The view was expressed that a full strategic discussion should place about alternatives to the LGPS scheme, including new companies with different College terms and conditions of employment, given the unpredictable liabilities caused by FRS102 and risk it posed for College budgets. It was reported that a number of colleges had gone down that route for new employees. It was commented, however, that the pension scheme was an important factor in being able to recruit good quality staff.

<p><b>10.4 Key Performance Indicators July 2017</b></p>	<p><b>RESOLVED:</b> that the matter of College pension scheme be referred to F&amp;GP Committee for review and report to the Board (<b>Action: MV/DP</b>). It was also recommended that reference be made to the impact of the LGPS valuation on the College outturn in the notes to the Financial Statements (<b>ACTION: MV</b>).</p> <p>The management accounts as at 31 July 2017 were noted.</p> <p>The KPIs as at 31 July 2017 were noted. The Board noted the areas of focus: -</p> <p>Apprenticeship in-year Leaver Achievement rates were considerably below target (60%). The Deputy Principal Curriculum reported that she anticipated the final outturn would be at or slightly above national average, but well down on last years' performance. This was caused by performance issues with a sub-contractor which had been addressed going forward but also by long-standing difficulties in recruiting suitable Apprenticeship Assessors in Electrical and Carpentry and Joinery.</p> <p>The attendance rate for English and Mathematics and, to a lesser extent, in vocational areas was slightly down against target. Attendance rates had been affected by the Southern Rail strikes.</p> <p>Lesson observation outcomes for probationary teachers were poor. The College had experienced a high turnover of staff in teaching areas. Whilst issues of performance for probationary teachers were managed quickly and robustly, there was a concern about whether the College could afford the level of attrition given the difficulties in teacher recruitment. Was the level of support given to probationary teachers effective?</p> <p>The College was urged to develop a retention strategy for new teachers, noting that the quality of teachers was the most important determinant of the quality of the student experience (<b>ACTION: DP/CMa</b>).</p>
<p><b>10.5 Apprenticeship Fees Policy</b></p>	<p>Following review and commendation by F&amp;GP Committee, it was <b>RESOLVED</b> that the Apprenticeship Fees Policy be approved.</p>
<p><b>10.6 Capital</b></p>	<p>The Board received and noted the progress in implementing the capital programme for the year ending 31 July 2017. The forecast net position of an underspend/ cost saving of £30,266</p>

<p><b>Programme, 2016/17 update</b></p> <p><b>10.7 Capital Programme, 2017/18</b></p>	<p>was noted.</p> <p>The Board received and noted the progress in implementing the capital programme for 2017/18. Governors' attention had previously been drawn to the overruns on the car park and landscaping scheme and the asbestos problems experienced with the refectory refurbishment. An overspend of c.£63k was forecast on a budget of £4.266k.</p>
<p><b>11.16</b></p>	<p><b>FINANCE AND GENERAL PURPOSES COMMITTEE</b></p>
<p><b>11.1 F&amp;GP Committee, 15 September 2017</b></p> <p><b>11.1 The Growth Committee</b></p>	<p>The minutes of the meeting of F&amp;GP Committee held on 15 September 2017 were noted.</p> <p>An oral report was presented about the Growth Committee. The inaugural meeting was to take place on 06 November 2017 and reporting to the Board would be through F&amp;GP Committee. The membership of the Growth Committee was proposed:</p> <p>Professor Sam Luke (Chair)  Peter Stamps  Frances Rutter  Sally Pritchett</p> <p>Consultant: Simon Matthews  Clerk: David Round</p>
<p><b>12.16</b></p>	<p><b>GOVERNANCE MATTERS</b></p>
<p><b>12.1 Financial Regulations</b></p> <p><b>12.2 Regularity Questionnaire: Settlement Payments to College staff</b></p>	<p>Following review and commendation by F&amp;GP Committee it was <b>RESOLVED</b> that the revised Financial Regulations be approved.</p> <p>At its meeting on 15 September the Finance &amp; General Purposes Committee received the revised ACOP and noted the revisions that have been made by the ESFA to the ACOP Regularity Questionnaire in July 2017, after the issue of the ACOP in March 2017. The Audit Committee received the revised Audit Code of Practice (previously the Joint Audit Code of Practice, JACOP) in June 2017, which are relevant to accounting periods ending on or after 1 August 2016. The revised ACOP Regularity Questionnaire states that</p>

<p><b>12.3 Corporation Terms of Reference, Cycles of Business &amp; Standing Orders</b></p> <p><b>12.4 Search &amp; Governance Committee 14 September 2017</b></p> <p><b>12.5 Membership Matters</b></p>	<p>‘The corporation shall demonstrate that payments in respect of termination are regular, value for money and avoid spending funds on settlements where disciplinary action would have been more appropriate.’</p> <p>Further, it notes “Where the corporation has considered entering into an agreement to settle any employment claims brought by any employee (including but not limited to key management personnel), has it: taken appropriate professional advice, approved the terms of any final agreement, brought all settlements to the attention of the reporting accountant?’</p> <p>F&amp;GP Committee reviewed the schedule of payments made to College staff in 2016/17 at its meeting on 15 September. Details of payments were made available to Board.</p> <p><b>RESOLVED:</b> that the schedule of payments made to College staff in 2016/17 be approved noting that the College has given assurance to the Corporation that it has taken appropriate professional advice and has brought the settlements to the attention of the reporting accountant as part of the external audit of the College financial statements for 2016/17.</p> <p>The Board considered the recommendations arising from the review of the terms of reference and cycles of business by each of the College Committees and <b>RESOLVED</b> that the recommendations as described by approved for 2017/18. It was further <b>RESOLVED</b> that the Standing Orders of the Corporation be approved un-amended.</p> <p>The minutes of the meeting of the Search and Governance Committee held on 14 September were received and noted.</p> <p>A paper setting-out the current membership of College Committees and Sub-Committees and proposed changes was received. It was <b>RESOLVED</b> that the following changes to membership be approved:</p> <ul style="list-style-type: none"> <li>• Maureen Kilminster be appointed to C&amp;Q Committee to fill the vacancy on the Committee (vice Avril Lawrence). Ms Kilminster has agreed to continue as a member of the Audit Committee until such a time a replacement can be found;</li> </ul>
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**12.6 Governor Expenses and Remuneration Policy**

**12.7 Board Effectiveness Interim Report**

- That Margaret Martin be appointed to Finance and General Purposes Committee; and
- That Peter Stamps moves from F&GP to the Audit Committee to fill the current vacancy on that Committee.
- That the membership of the Growth Committee comprise Professor Sam Luke, Peter Stamps, Frances Rutter, Sally Pritchett and Simon Matthews (external consultant).

This paper on Governor expenses and remuneration was deferred for consideration at the next meeting.

The interim report on Board Effectiveness highlighted the outcomes of the questionnaire which were

**Strengths**

- Strong endorsement of the effectiveness of the student voice on the Governing Body
- The transparency and robustness of reporting of key metrics
- Openness to innovation and change
- Confidence in the Principal and SMT
- The performance of the Chair
- Opportunity for debate at meetings

**Areas for Development**

- More time to be spend 'horizon scanning' and scenario planning emerging issues
- The Board to ensure that the College is responsive to the needs of employers
- Opportunities to attend governor development events.

The Board **AGREED** the action plan to comprise: -

1. Facilitate an input to the December meeting by a sector expert on emerging issues and scenarios for discussion
2. A presentation and report to the Board about employer engagement including apprenticeship delivery with levy-paying employers and SMEs. There will be an opportunity for the board to debate the College's broader employer engagement strategy.
3. A programme of external seminars, workshops, webinars and other events relating to sector issues and governor

	development will be made available.  <b>(ACTION: DR)</b>  It was noted that the cascaded peer appraisal of governor performance and appraisal of the Chair was ongoing and would be reported to the December meeting.  There was discussion about the launch of the Governor link scheme for the new academic year. The Clerk asked Governors whether they preferred to continue with their link areas from last year or to be matched to new areas. Following discussion, it was <b>AGREED</b> that the Clerk would issue a revised schedule reflecting the discussion for feedback and implementation
<b>12.8 Governor Link Scheme</b>	
<b>12.9 Board Decisions List 2016/17</b>	The list of decisions taken by the Corporation in 2016/17 were received for information.
<b>13.17</b>	<b>FUTURE MEETINGS AND EVENTS</b>
The schedule of forthcoming meetings to the end of the autumn term was noted. The next meeting of the Corporation would take place on <b>Thursday 14 December 2017 at 09.00am.</b>	
<b>14.17</b>	<b>ANY OTHER BUSINESS</b>
There was no further business and the meeting ended at 11.30	
<b>15.17</b>	<b>CONFIDENTIAL ITEMS</b>
College staff and Staff and Student Governors withdrew for the confidential items.	

Signed ..... Date .....

**Professor Sam Luke, Chair of the Corporation**

Author	David Round
Title	NESCOT Corporation Minutes 06 October 2017
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