



**MINUTES OF THE NORTH EAST SURREY
COLLEGE OF TECHNOLOGY FURTHER
EDUCATION CORPORATION HELD ON
FRIDAY 09 DECEMBER 2016 AT 14.00 IN
THE SKILLS PARK BOARD ROOM (SP216)**

PRESENT*	IN ATTENDANCE
Professor Sam Luke (Chair) Peter Stamps (Vice Chair) Chris Muller ¹ Cliff Hall Chris Shortt Yasmine Malik ² Lynn Reddick Maureen Kilminster Lance Finn ³ Avril Lawrence Joanna Lloyd (Support Staff Governor) Josh Spooner (Appointed FE Student Governor) Michael Stone † (Support FE Student Governor) Delores Appiah (Support FE Student Governor) †	Fred Carter (Vice Principal, Curriculum) Carol Martin (Deputy Principal) Dario Stevens (Vice Principal, Planning and Information Services) Maria Vetrone (Deputy Principal, Finance & Resources) Mark Hillman (Assistant Principal, Teaching, Learning and Maths and English) Frances Rutter (Group CEO and Principal designate) Donna Patterson (Director of HR) David Round (Clerk to the Corporation)

* Attendance at the meeting = 82%

† Without voting powers

17.16	MATTERS FOR REPORT
	<p>The Clerk confirmed that the meeting was quorate.</p> <p>A warm welcome was extended to Ms Frances Rutter, Group CEO and Principal designate.</p> <p>Professor Luke made a number of announcements. He welcomed Maureen Kilminster and Lynn Reddick to their first meetings of the full Corporation. The Board noted that the Support Staff Governor Joanna Lloyd was attending her final meeting. The Chair thanked her for her contribution to the work of the Board of Governors and wished her well for her forthcoming maternity leave.</p> <p>Donna Patterson, the Director of HR, was welcomed to her first Corporation meeting.</p> <p>The Rt. Hon Chris Grayling MP had agreed to officiate at the opening the Skills Park on 23 February 2017 at 5.30. All governors were invited to attend.</p>

¹ Mr Muller joined the meeting at 15.05

² Ms Malik joined the meeting at 15.00

³ Mr Finn joined the meeting at 15.00

18.16	APOLOGIES FOR ABSENCE
<p>Apologies for absence were received from Dr Martin West, Catherine Biscoe and Mike Broadbent. It was reported that Chris Muller and Yasmeen Malik would be joining the meeting later.</p>	
19.16	DECLARATION OF INTERESTS
<p>The Chair reminded Members to declare any interest which they may have in any of the items on the agenda. Joanna Lloyd declared that she had a family connection with the Principal of Burton and South Derbyshire College who were shareholders in the Saudi Arabia project. Peter Stamps and Cliff Hall declared their interests as unremunerated directors of NCL. Maureen Kilminster declared that she was a former Principal of Brooklands College and a trustee of Surrey Lifelong Learning Partnership.</p> <p>Ms Frances Rutter declared an interest as the Chair of the Epsom and Ewell Planning Authority.</p>	
20.16	MINUTES
<p>Confirmation of Written Resolutions</p> <p>21.1 The appointment of Frances Rutter as Group CEO and Principal (Appendix Ai)</p> <p>21.2 Approval of the HEFCE Assurance Statement (Appendix Aii)</p>	<p>The Board confirmed the following written resolution:</p> <p>Pursuant to Instrument 6A (1), Article 9 and Article 12 (1) of the NESOT Instrument and Articles of Government and following the deliberations of a panel of Members of the Corporation established for the purpose of considering applications for the post and making a recommendation to the Corporation regarding the appointment, the Corporation hereby RESOLVES that Ms Frances Rutter be appointed Group Chief Executive and Principal with effect from a date to be determined. Ms Rutter shall be a Senior Post Holder and the Chief Accounting Officer of the College. The Clerk to the Corporation shall inform the appropriate governmental agencies of the appointment of a new Group Chief Executive and Principal of the College.</p> <p>RESOLVED: that NESOT Corporation has received and discussed a report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes. This included evidence from the provider’s own periodic review processes, which fully involve students and include embedded external peer or professional review.</p> <p>It further confirms that the methodologies used as a basis to improve the student academic experience and student</p>

<p>21.3 Minutes 07 October 2016 (Appendix Aiii)</p>	<p>outcomes are, to the best of its knowledge, robust and appropriate.</p> <p>NESCOT Corporation, as a provider of higher education without degree-awarding power, attests that the standards of awards for which we are responsible have been appropriately maintained.</p> <p>The minutes of the meeting held on 07 October 2016 were approved as a correct record and signed by the Chair.</p>
<p>22.16</p>	<p>MATTERS ARISING</p>
<p>All matters arising were covered on the agenda.</p>	
<p>23.16</p>	<p>SAFEGUARDING, PREVENT AND HEALTH AND SAFETY⁴</p>
<p>The Chair introduced a discussion of health and safety. Health and Safety would be considered as a standing item at all Corporation meetings alongside Safeguarding and PREVENT reflecting their importance. Embedding a culture of care was emphasised and members of the College community – staff, students, governors and visitors – were encouraged to see this as a matter of personal responsibility. The Principal advised the Board about a congratulatory letter he had recently received from the parent of a student who had deployed to considerable effect the training in health and safety she had received as part of her course in a serious road traffic accident recently.</p> <p>Reports (Appendix B) on safeguarding and PREVENT referrals were presented with a risk-based assessment. There was an increase in mental health and self-harm referrals. Governors were assured that the College had put in place sufficient resources to manage the case load.</p>	
<p>24.16</p>	<p>GOVERNOR CURRICULUM LINKS: FEEDBACK REPORTS FROM RECENT VISITS</p>
<p>Governors fed back on their visits to departments this term. A total of seven visits by Governors had taken place which included discussions with students, classroom visits and meetings with tutors and managers looking at the Self-Assessment Report and other matters. Comments made included</p> <ul style="list-style-type: none"> • The Faculty of the Built Environment was eager to develop stronger links with employers but this was a challenging area as many of the enterprises they worked with were micro businesses. 	

⁴ Standing item

- Hair and Beauty students were very happy with the quality of their learning experience at the College and gave very positive feedback about their tutors and the department.
- The new facilities for hair and beauty were excellent although it was too early to say how the commercial aspects were faring.
- Students in the Health and Social Care department were enthusiastic about their studies and teaching seen was stimulating. There were opportunities to develop new employer-linked programmes in Allied Health Professions such as Radiography etc.
- Media students were very happy and positive and the departmental team were very enthusiastic. Music was a small team and its work was less developed and integrated with the rest of the department.
- Teaching seen in the department of Business, Travel and Accounting was energetic and challenged and stretched students. Staff were positive; students did not enjoy the Maths and English lessons and did not see their relevance.
- Excellent feedback was given about the Computing department which delivered high quality teaching and learning. Special praise was given for the BAE Higher Apprenticeship programme and the enthusiasm and quality of the students was particularly noteworthy. This approach was a model for other work with employers. Similar issues were reported about English and Maths and staff views on how to achieve improvements were discussed with the link Governor. There was a request to provide more ready access to specialist computing applications outside class time **(ACTION: CMa)**.

There was a wider discussion about English and Maths. The Student Governor confirmed that homework was now being set and the classroom management issues had been addressed.

Governors were agreed that the link visits scheme was very valuable and aided a more rounded understanding of the College, its work, the opportunities and the challenges. Visits would be arranged for next term **(ACTION: DR)**.

23.16	STRATEGIC DEVELOPMENT
23.1 Principal's Report (Appendix C)	The Principal's report discussed student outcomes in English and Maths GCSE resits at length. Updated data analysis was given which identified that in 2015/16 27% of NESCOL students had improved their English Language GCSE grade by one or more grades and 31% in Mathematics. Recently published national datasets for 16-18 students reported that GCSE English resit A* - C results in General FE colleges were 16% nationally (NESCOL 21% - all age groups) and 20% for GCSE Maths A* - C (NESCOL 26% - all age groups).

College management confirmed that a target had been set that 50% of students would increase their English and Mathematics results by at least 1 grade. This was a significant challenge but it was believed to be realistic. Student progress assessments made at the end of the Autumn term indicated that teachers believed 30% of students had improved their potential grade by at least one grade. Reports would be presented to the next meeting of C&Q in 2017 (**ACTION: MH**).

The strategies that had been implemented were outlined including: -

- Greater focus on exam technique and practice papers
- Timetable changes and resolving issues by week 3
- Continuing to focus on raising class attendance (which was now at 83% compared to 78% last year)
- Curriculum visits to colleges who were obtaining better outcomes (Brooklands College and Farnborough College) and joint staff development and peer reviews.
- Support from College Teaching and Learning Coaches
- Recruitment of a new Head of Mathematics (November)
- Regular homework being set and followed-up.
- January/February performance 'health checks'.

Student Governors added that many students in English and Maths needed to be supported to raise their confidence in their own ability in these subjects and be motivated to succeed. It was important that students who lacked confidence in English and Maths because of past failures received frequent encouragement from teachers who believed in them to succeed.

The Chair of Curriculum and Quality Committee commented that the group had looked at English and Maths in some detail at its November meeting. The College was considering moving the location of teaching of English and Maths to vocational areas and exploring alternative non-traditional approaches to teaching and learning which would motivate and build confidence in students It would also take the opportunity to

**FINANCE
REPORTS**

**23.2 Group
Financial
Statements
2015/16
(Appendix D)**

reinforce and embed English and Mathematics into students' main programmes wherever possible. Governors agreed that a whole college approach to English and Maths was particularly important in the context of whole study programme outcome assessments.

The Board reiterated that raising outcomes in English and Maths was the number one priority for the College and one that all Governors supported.

The Principal provided additional updates on themes from the AoC Conference that he attended. The success of NESCOL students at World Skills was noted. It was also reported that Sir Vince Cable was to attend the Student Conference at NESCOL the following week with the NUS President. The student governors were congratulated on the excellent presentation that they had prepared for the conference about their experience on the Governing Body.

Following review by F&GP and the Audit Committee the Board was invited to accept the recommendation that the Group Annual Report and Financial Statements for the year ending 31 July 2016 be approved. It was confirmed that the College's external auditors had, through their Saudi partner firm, undertaken additional audit work on the NCL accounts. This work had been satisfactorily completed and they were able to satisfy themselves with regard to previous issues reported last year. The auditors had provided an unqualified opinion on the statements.

The accounts, which included the total activity of NESCOL Consortium Ltd in Saudi Arabia, reported the following year-end results:-

- Total revenues of £27,592,504 (£26,805,507 in 2014/15)
- NESCOL UK income of £21,214,262 (£21,637,918 in 2014/15)
- A College group surplus of £1,528.4k (£1,022.4k in 2015/16) of which £243.8k was attributable to the UK College, the balance of £1,284.6k relating to NCL activities)
- After gains from disposals and taxation, the NESCOL Group generated an overall surplus of £2.362k (£765.8k in 2014/15).

**23.3
Management
Accounts,
October 2016
(Appendix E)**

- Accumulated reserves for the Group amount to £49,414.7k after non-controlling interest of £637.7k and FRS102 pension adjustments.
- The College had sought a reassessment of the actuarial assumptions underpinning the FRS102 pension liability which had been favourable to the College. The reassessment had been confirmed as reasonable by the external auditors.
- The College's SFA financial health grade remained 'Outstanding'.

Attention was drawn to Note 7 and Note 28 in the statements.

RESOLVED: that the Group Annual Report and Financial Statements for the year ending 31 July 2016 be approved for signature by the Chair and Chief Accounting Officer.

The Management Accounts for the period up to 31 October 2016 were reported following review at F&GP Committee. The forecast outturn was £78k surplus against a budget of £41k surplus. The 'Best case' forecast was £128k; the 'Worst case' was for a deficit of £72k. Additional SFA income of £452k had been received since the budget had been set; this had been offset by shortfalls in predicted income from HE tuition fees, full cost fees and franchised course income. Forecast pay expenditure was forecast to be ahead of budget largely because forecast expenditure to deliver SFA 19+ courses had not been incurred as a result of student under recruitment for that funding stream. Non-pay expenditure was above forecast because of increased subcontract expenditure to deliver the additional SFA apprenticeship provision. The Balance Sheet remained strong and the cash position was healthy.

Governors noted that additional 19+ provision was planned for January.

The Management Accounts for October were received.

**23.4 Key
Performance
Indicators,
October 2016
(Appendix F)**

The monthly balanced KPI scorecard for October was considered. It was noted that the In-Year Leaver Achievement rate which was Amber flagged would improve as completions were reported and booked. HE income was also Amber flagged being below target although it was noted that the quoted figure had made provision for assumed withdrawals which could lead to the figure increasing over the course of the

<p>23.5 SFA Financial Assessment (Appendix G)</p> <p>23.6 Capital Planning Update (Appendix H)</p>	<p>year. The number of cash days in hand was slightly below the target set internally by 3 days but significantly better than the sector average.</p> <p>Governors queried the RAG assessment of the number of work placements sourced which appeared to be incorrect (ACTION: DS).</p> <p>The KPIs for October were received.</p> <p>The SFA's latest assessment of the financial health of the College was received which included key benchmarking data. The SFA had confirmed the College's financial health as 'Outstanding'. It had requested further information about the assumptions for future income growth from full cost recovery activity and a sensitivity analysis and commentary in relation to the new employer-routed funding system for apprenticeships. This had been actioned and the financial strategy was being updated.</p> <p>The Board noted that the College strategy was to move towards more direct delivery of apprenticeships at the same time that these large changes in apprenticeship funding were taking place.</p> <p>A report updated Governors about the status of current capital property projects. The large capital programme was nearly complete pending the opening of the Le Raj restaurant in the New Year. It was also noted that the works to connect the new Skills Park building to the Undercroft and create a link with the rest of the College providing a new social learning area and Starbucks cafe had been delayed until June/July 2017 so that a high quality design could be developed. It was also reported that pending approval from the Planning authority the landscaping and car park renewal would take place next summer.</p> <p>The Capital Planning report was noted.</p>
<p>24.16</p>	<p>AUDIT MATTERS</p>
<p>MATTERS FOR APPROVAL</p>	<p>The draft Management Letter of the External Auditor had been reviewed by the Audit Committee. It was confirmed that</p> <ul style="list-style-type: none"> • There were no significant issues of internal control – there were two low level recommendations relating to writing back to the

25.01 Financial Statements 2015-16: Management Letter of the External Auditor (Appendix I)

accounts of previously-issued cheques and the adjustment of capital grant releases

- The problems that had delayed the completion of the audit last year had been satisfactorily addressed.
- There were no material misstatements identified in the audit
- An unqualified opinion in respect of the financial statements audit and regularity audit would be issued.

RESOLVED: that the Corporation approves the Management Letter of the External Auditor.

RESOLVED: that following review by the Audit Committee the Letter of Representations be authorised for signature by the Chair of the Governors and the Chief Accounting Officer.

25.02 Letter of Representations (Appendix J)

The Annual Report of the Audit Committee was received noting that Committee was able to give the Corporation ‘substantial assurance about the adequacy and effectiveness of the College’s audit arrangements, its framework of governance, risk management and control and its processes for securing economy, efficiency and effectiveness’.

25.03 Annual Report of the Audit Committee (Appendix K)

RESOLVED: that the Annual Report of the Audit Committee for the year ending 31 July 2016 signed by the Chair of the Committee be approved for submission to the Skills Funding Agency.

25.04 Annual Report of Internal Auditors (Appendix L)

The Annual Report of the Internal Auditor was received. The opinion of the Internal Auditors was that

‘Overall, in my opinion, North East Surrey College of Technology has had adequate and effective governance, risk management and internal control arrangements in place for 2015/16. However, our work has identified further enhancements to the framework of internal control to ensure that it remains adequate and effective.’

The areas for enhancement concerned systems of internal control in relation to NCL and the Saudi project and procedures for the management of capital projects. The College had

<p>25.05 Risk Management: Strategic Risks (Appendix M)</p>	<p>accepted all recommendations of the Internal Auditors and had acted to implement the necessary actions.</p> <p>Following review by the Audit Committee the Corporation received the register of strategic risks for the College. The areas of the greatest net risk were:</p> <ul style="list-style-type: none"> • Raising performance in English and Maths GCSE resits. • Maintaining the quality of teaching, learning and assessment. • Arrangements for the effective control of the Jeddah College through NCL. • Relating to the above, the attendant reputational risks arising from media interest and reporting. • The management arrangement for the effective operation of the College estate. • The management of new commercial/education activities such as the Hair and Beauty salon, the Le Raj Academy and the Motor Vehicle Centre. • Responding effectively to the major changes in the system and funding of apprenticeships • Changes in government policy <p>The number of net risks assessed as ‘high’ had increased by 3 since last year reflecting the turbulent nature of the external environment.</p>
<p>26.16</p>	<p>NESCOT BUSINESS SERVICES LTD</p>
<p>The Chair presented an oral report on NBS matters and specifically NESCOT Consortium Limited and the Jeddah College. He assured the Board that the directors of NBS were acting in the best interests of the College.</p>	
<p>27.16</p>	<p>FINANCE AND GENERAL PURPOSES COMMITTEE</p>
<p>27.1 To approve the Subcontracting Supply Chain, Fees and Charging Policy 2016/17 (Appendix O)</p>	<p>The SFA require the Corporation to approve the Subcontracting Supply Chain, Fees and Charging policy annually. The policy was reviewed at the meeting of F&GP Committee on 06 December and was recommended for approval by the Corporation and signature by the Chair and the Chief Accounting Officer. It was noted that the policy ensured that subcontracting partners were subject to appropriate due diligence, that provision enhanced the College’s overall offer and was of high quality. The levied fees reflected a rigorous process of appraisal and scoring.</p>

<p>27.2 F&GP Minutes 06 Dec 2016 (Appendix P)</p>	<p>RESOLVED: that the NESCOL Subcontracting Supply Chain, Fees and Charging policy for 2016/17 be approved for signature.</p> <p>The minutes of the meeting of the Finance and General Purposes Committee held on 06 December 2016 were received for information. The Chair drew members' attention to the review of treasury management policy to maximise return on cash reserves within a framework of prudent and balanced risk management. It was also noted that the finance strategy would be updated at the next meeting.</p> <p>Governors asked about the assessment of student outcomes across study programmes. Did Ofsted view English and Mathematics GCSE results as a 'limiting' grade and were outcomes reported at qualification level or for the overall study programme? It was reported that Ofsted's formal position was that English and Mathematics results were not limiting grades and this had been seen in recent inspections. It was, however, also the case that Ofsted were very interested in students' performance and how colleges were adding value and raising grades in those subjects. It was also noted that the new system of professional and technical qualifications announced in the Sainsbury review would embed English and Mathematics and work experience and not as stand-alone elements.</p>
<p>28.16</p>	<p>AUDIT COMMITTEE</p>
	<p>The minutes of the meeting held on 02 December 2016 were received for information (Appendix Q). The arrangements for market testing the supply of audit services to the College were outlined.</p>
<p>29.16</p>	<p>CURRICULUM AND QUALITY COMMITTEE</p>
	<p>The Chair of C&Q Committee presented the minutes of the meeting held on 09 November 2016 (Appendix R). He noted the discussion of teacher recruitment particularly in key subjects such as English and Mathematics. The Committee was to consider the Self-Assessment Report at its January meeting.</p>
<p>30.16</p>	<p>SEARCH AND GOVERNANCE COMMITTEE</p>
<p>30.1 Minutes of the Search & Governance</p>	<p>The minutes of the meeting of the Search and Governance Committee held on 25 November 2016 were received for information.</p>

<p>Committee (Appendix S)</p> <p>30.2 Annual Report of the Committee 2015 - 16 (Appendix T)</p> <p>30.2 Standing Orders (Appendix U)</p> <p>30.3 Membership Matters (Appendix V)</p>	<p>The annual report of the Search and Governance Committee 2016/16 was received noting the work undertaken to refresh and strengthen the membership in priority area agreed by the Committee and approved by the Corporation.</p> <p>Following review by the Search and Governance Committee at its meeting on 25 November 2016 the Corporation received and APPROVED a recommendation that the Standing Order be re-affirmed without amendment.</p> <p>The Board received and APPROVED recommendations from the Search and Governance Committee that: -</p> <ol style="list-style-type: none"> 1. Ms Gloria Ozolua be appointed as a Governor of the College for an initial term of two years. 2. That Dr Martin West be appointed to membership of F&GP Committee. 3. That Mr Peter Stamps becomes Vice Chair of F&GP. 4. That Dr Martin West becomes Chair of F&GP. 5. That Ms Gloria Ozolua becomes a member of F&GP.
<p>31.16</p>	<p>STUDENT MATTERS</p>
<p>Student Governors commented that the College security team were more effective and that issues of student misbehaviour had largely been eliminated.</p> <p>Reference was made to the very long queues in the College Refectory. College management commented that the introduction of prepayment cash cards would assist in facilitating the quicker processing of payments. The redesign of the refectory next summer would provide more serving outlets and reduce queues.</p>	
<p>32.16</p>	<p>STAFF MATTERS</p>
<p>The Teaching Staff Governor raised a concern about the time required to log onto student PCs since the roll-out of Windows 10. College management commented that these problems were related to work being undertaken by external supplies to update software and that a fix for the Windows 10 issues involved the purchase of more servers which had been actioned. It was confirmed that the College had appropriate Service Level Agreements with suppliers and that it would take the appropriate action where required.</p>	

33.16	ANY OTHER BUSINESS
<p>The Chair summarised some of the key issues and priorities arising from the meeting: -</p> <ul style="list-style-type: none"> • The contribution of Student and Staff Governors to Board meetings was excellent. It was very important that external Governors heard their views and suggestions on areas for improvement. This was a real area of strength on the Governing Body. • The unqualified audit of the Group accounts was very heartening following the problems experienced last year. • The College's finances were strong and represented a sound foundation for the realisation of its longer term objectives. • The Board had strengthened and refreshed its membership and was a strong team going forward. • The Board noted with gratitude the dedication and hard work of College teachers, support staff, the senior team and the Principal. • The Board had made an excellent appointment to the position of Group CEO and Principal and it looked forward to working with her when she joined the College in April next year. <p>It was noted that Delores Appiah, FE Support Student Governor was to deliver the vote of thanks on behalf of the student body at the FE Awards Evening on 15 December.</p>	
34.16	DATE AND TIME OF THE NEXT MEETING
<p>The next meeting of the Corporation would take place on Saturday 04 February 2016 at the Corporation Conference.</p>	
35.16	CONFIDENTIAL ITEMS
<p>College staff, and Staff and Student Governors withdrew for the confidential items. A record of the discussion is lodged in the Confidential Minute Book.</p>	

Signed Date

Professor Sam Luke, Chair of the Corporation

Author	David Round
Title	NESCOT Corporation Minutes 09 December 2016
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