

PRESENT*	IN ATTENDANCE
Professor Sam Luke (Chair) Peter Stamps (Vice Chair) Frances Rutter (CEO & Principal) Graeme Hodge (Support Staff Governor) Jamie Roberts (Teaching Staff Governor) Felicity Fletcher (HE Student Governor) Liz Lawrence Margaret Martin Maureen Kilminster Vince Romagnuolo Kabir Shaikh Chris Shortt	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) Josephine Carr (Clerk designate)

* Attendance at the meeting = 71%

47.18	APPOINTMENT OF NEW GOVERNOR
<p>Vince Romagnuolo left the room for this item.</p> <p>The Search and Governance Committee meet in March and recommend to the Corporation:</p> <ul style="list-style-type: none"> i) Gloria Ozolua has decided to step down from the governing body with immediate effect because of her work commitments. The governing body thanked Gloria for her efforts and hope to work with her as an employer. ii) Chris Shortt is standing down after 10 years at the end of this academic year. iii) Vince Romagnuolo who is currently the Labour Group Leader at Epsom & Ewell BC has been interviewed as a prospective governor. Vince has a project management background and is recommended to join F&GP <p>The Corporation formally accepted the recommendations of the March Search & Governance Committee.</p> <p>Vince Romagnuolo re-joined the meeting and was formally welcomed to the Corporation by the Chair of Governors.</p> <p>The Chair expressed the Corporation's thanks and appreciation to Chris Shortt at his last Corporation meeting echoing the Search and Governance Committee's comments:</p> <p><i>The Committee expressed their enormous gratitude to Mr Shortt for his service to the Board and the College and in particular the professional expertise and judgement he was able to give the College over the duration of the very successful campus masterplan development.</i></p>	
47.18	MATTERS FOR REPORT
<p>The Chair reported on the following matters: -</p>	

- The Governor Curriculum Scrutiny Panel (M. Kilminster, L. Reddick, K. Shabir and M. Martin) together with Cliff Shaw met the Directors of Faculty on 13 February to review progress on improvements in curriculum quality and development following the SAR validation meetings in November. A report was presented to Curriculum and Quality Committee (the minutes of which are included in the meeting papers) and further meetings will be held later in the year.
- Thank you to those governors who have participated in link visits recently. Their feedback will be included later in the meeting.
- The HE Awards ceremony on 1st March at Epsom Downs racecourse went very well. Some 130 higher education students were presented with their awards. Jim Glover, High Sheriff of Surrey was the guest of Honour.
- There is an important report in the agenda regarding emerging financial risks. This was discussed at the Spring Term Finance & General Purposes Committee. The report shows the significant financial headwinds facing the FE sector generally and the College in particular together with the College's management of these risks. NEScot continues to hold an "Outstanding financial health" assessment from the ESFA but there are significant budgetary challenges in 2019/20 including a reduction of £3.5M in core fee income.
- The Chair welcomed the new Clerk to the meeting and thanked David Round for his contribution and wished him every success in his new role.
- The Chair advised that there would be an additional paper tabled after the published meeting papers had been considered.

Governor Link Visit Reports:

1. English and Maths: Chris Muller and Chris Shortt. C. Shortt advised the meeting that they had been impressed with the quality of teaching. After speaking with staff both governors sensed that the teachers are tired and challenged on a daily basis. The Governors ask how best the English and maths teachers may be supported with their workload in particular exam preparation and the additional marking.
2. Hair & Beauty: Maureen Kilminster. M. Kilminster highlighted the recent changes in the qualifications, in particular the increased requirement for externally examined written evidence. This requirement needs a stronger link between vocational teachers and English teachers to support students in the preparation of the required written documentation.
3. Media, Music, Art and Design: Liz Lawrence advised the meeting that this was a high performing impressive department with good "vibes" from the students. When meeting with some 15 departmental staff a distinction between the department and the College as a whole became evident; the staff love working in the department but do not always feel part of the College as a whole or aware of what is happening. They also feel that the Progress coaches are undervalued given the number of mental health challenges they have to deal with on a regular basis. There were mixed views amongst departmental staff regarding the quality and timing of recording and sharing data.

The Deputy Principal responded that:

- i) he was disappointed by the safeguarding comments but would look into the matter further
- ii) Innovation and engagement of students in English and Math was discussed at the Curriculum and Quality Committee. However, at this point in the academic year, preparation for the summer examinations is paramount.
- iii) The timetabling of English and Math around vocational curriculum needs is also being looked at for 2019/20.

iv)	Governors should be aware of the reduced student numbers within the Music department partly due to increased local competition.
48.18	APOLOGIES FOR ABSENCE
Apologies for absence were received from the following governors: Sally Pritchett, Simon Enoch Chris Muller and Lynn Reddick. The clerk to enquire regarding the health and availability of Daksin Chandrasekera (Student Governor).	
49.18	DECLARATION OF INTERESTS
The Chair reminded Members to declare any interest they may have in any of the items on the agenda. Professor Luke, Peter Stamps and Frances Rutter declared their interest as unremunerated directors of NESCOL Enterprises Ltd, which was a wholly-owned College subsidiary company. Margaret Martin declared her interest as a member of Ewell Rotary Club, a trustee of Age Concern and a member of Surrey Chamber of Commerce. Maureen Kilminster noted her former position as the Principal of a College in Surrey.	
50.18	MINUTES
The minutes of the meetings held on 8 February 2019 were approved as a correct record.	
51.18	MATTERS ARISING
The matters arising report (Appendix D) from the previous minutes and other items carried forward were received and noted. Other matters of note were:	
32.18 governing body oversight of IT by Simon Enoch. Detailed feedback will be provided at the next corporation meeting. In the interim:	
<ul style="list-style-type: none"> • there has been low uptake/interest in the recently advertised IT posts. These will be reviewed and re-advertised, perhaps updating the job title to include “manager” • Staff are happier with IT frontline support • IT security is much improved. 	
36.18 Epsom Town Centre presence: the Principal reported that the Epsom Library in Epsom Square has a Learning Centre. The Head Leaseholder is willing to make space available and permit Surrey CC to sub-let this space to NESCOL. The Principal is waiting for further details from the Head of Property at Surrey CC.	
The meeting agreed that the Library was a good facility with plans to develop Epsom Square further which in turn would increase the footfall in the area.	
52.18	STUDENT MATTERS
The HE Student Governor advised the meeting that the Student HE Council has met last Tuesday. The principal discussions had centred upon:	
<ol style="list-style-type: none"> 1. Food provision and providing vegan and gluten free options 2. To ensure that students are aware of how they may contact their student representative and so ensure that the student voice is heard. 	

3. Vacating council members are willing to help at the 2019/20 HE induction session to share their student experiences with incoming students. SMT to follow up

The HE Student Governor advised the meeting that her course concludes on 24th May. The Student Governor thanked the meeting for the opportunity to join the Board. The Board thanked the Student Governor for her insightful contributions to meetings.

53.18

STAFF MATTERS

Staff governors advised that they had no further comments to make given that the Governor Link Visit feedback had summarised current staff perspective.

54.18

STANDING REPORTS

Governors reviewed the standing agenda item on safeguarding, Prevent and Health & Safety (Appendix D) The report is essentially that which was tabled at the March Curriculum and Quality meeting save for a red-rated incident which occurred last week. The Principal thanked the Deputy Principal and the Safeguarding Team for their immediate and sensitive handling of this incident.

55.18

STRATEGIC REPORTS

55.1 Emerging Financial Risks

The Deputy Principal (Finance and Resources) presented her report and advised the meeting that the Risk Register, including financial risk, is routinely discussed at the Audit Committee and the budget together with Monthly Management accounts, which also contain financial risk analysis, are discussed at Financial & General Purposes Committee. This report is not looking to replicate the work of these Committees but ensure that all governors are aware of the financial challenges within the FE Sector and those directly challenging the College together with the actions being taken by the College to address these risks.

P2: A recent AoC report regarding the state of the finances of the HE sector concludes that Colleges are under real serious financial pressure and deteriorating.

P3: The College Risk Register identifies 11 financial risks.

P4: Identifies the financial risks currently challenging the College's stability and continued growth.

The report concludes that the College is managing financial risks effectively as evidenced by the ESFA financial assessment of outstanding financial health. However, Governors should be aware of the risks and the need for the College to maintain income generation and constrain costs.

The Corporation noted the current and emerging financial risks and the risk management arrangements in place for mitigation.

55.2 Strategic Plan Scorecard

The Deputy Principal presented the first draft of the Strategic Plan Scorecard. The Chair requested that the scorecard be RAG rated and be supported with a front sheet highlighting significant changes and accompanying action plans for

	subsequent Board meetings. There should be 10% deviation between amber and green with red indicating significantly off target.
56.18	FINANCE REPORTS
56.1 Management Accounts January 2019	<p>The Board reviewed the management accounts as at 31 January 2019. The forecast to year end shows that the College is slightly ahead of budget with an anticipated operating surplus of £4,000, which had improved from the operating deficit of £35,000 reported in the December 2018 management accounts. Governors were advised that income was forecast to be under budget at year end, which has been counterbalanced by constraining expenditure.</p> <p>The two principal financial pressures are:</p> <ol style="list-style-type: none"> 1. Under enrolment against curriculum plans to the value of £1.7M. 2. Additional pension liabilities at year end of £522,000 <p>The Deputy Principal confirmed that the 14-point financial delivery plan agreed in December 2018 is yielding benefits.</p> <p>Financial KPIs</p> <p><u>Cash days in hand</u>: forecast out-turn at year end is 84 days compared to the budgeted 92. However, the reduction has been caused by placing £1M of the College's cash reserves in a medium risk investment fund which has become a fixed asset and so reduces the College cash reserves on the balance sheet. The FE sector average is 68 days.</p> <p><u>Cash Reserves</u> at 31st January £4. 3M anticipated outturn at year end £ 6.3M. The reduction in cash reserves reflects the £1M transferred to an investment fund.</p> <p><u>Current ratio</u> The forecast out-turn is 2.92 compared with a budget of 3.16. The FE sector average is 1.48.</p> <p><u>EBITDA</u> as a percentage of income: the forecast out-turn is 10.34% compared to a budget of. 8.4%. The FE sector average is 5.6%</p> <p>The College's Financial Strategy requires the achievement of a 3% operating surplus, which equates to £839,000 for 2018/19 and is not achievable. The importance of cash reserves has been evidenced recently with the Carillion and Interserve companies whose margins were not sustainable at 1.5-2%. Similarly, the construction company Kier has just issued profit warnings for 2018/19.</p> <p>The Deputy Principal (Finances and Resources) advised the Governors that the ESFA financial assessment of NESOCOT 2018/19 is forecast to be graded as Outstanding at year end. The College has a strong balance sheet. Its estate is worth some £66M compared with Brooklands, a similar sized college, of £12M. However, it is vital that the College maintains its current cash reserves and</p>

<p>56.2 Corporation KPIs</p>	<p>balances excellent teaching, student achievements and outstanding financial health.</p> <p>The Deputy Principal advised the meeting that the College Curriculum needs to be more cost effective and the most effective way is to include more blended learning and to increase student numbers. However, there will be a substantial capital cost to make the curriculum more innovative. Members of SMT are looking at possible options regarding high quality dynamic content.</p> <p>Further to the marketing presentation earlier in the day the meeting asked the Deputy Principal if more marketing or sales staff were required. As discussed during the marketing presentation, the College is looking to increase the involvement/responsibility of curriculum staff with the marketing of their courses.</p> <p>The Deputy Principal outlined the principal variations in income, pay and non-pay expenditure as listed in the pages 2 and 3 of Appendix Hi.</p> <p>The Deputy Principal advised the meeting that most of the £175,000 income relating to commercial activities had been transferred to NESCOL Enterprises Ltd. All new staff associated with commercial activities are being contracted via NESCOL Enterprises which provides a more cost effective pension scheme.</p> <p>RESOLVED: that the management accounts for January 2019 be noted.</p> <p>The Corporation KPIs as at January 2019 were received noting that retention of students remains high.</p> <p>The new leisure courses are not recruiting the student numbers originally anticipated.</p> <p>Staff absences of 2.4% are higher than the targeted 2% but are lower than 2017/18 and less than the sector average of 3%. The 2018/19 figures include an increase in support staff absence. The meeting discussed the need to ensure the wellbeing of support staff and acknowledged that some areas within the College are under resourced and support salaries have not kept pace with other sectors. For NESCOL to be the employer of choice this must be closely monitored together with an exploration of non-pay staff benefits. Action SMT</p> <p>RESOLVED: that the KPIs for January 2019 be noted.</p> <p>The 2017/18 Capital Projects report was discussed at the March Finance and General Purposes Committee. The net capital projects overspend of £202,000 in 2017/18 will be absorbed from cash reserves. The principal element being the unplanned renewal of the College's IT infrastructure.</p>
<p>56.3 Capital Projects 2017/18 final update</p>	<p>The 2018/18 Capital Projects update report was discussed at the March Finance and General Purposes Committee. The budget of £1,054,700 is underspent by £126,800 on planned projects although £57,000 has been incurred on unplanned works as at 25th February 2019.</p>

56.4 Capital Projects 2018/19 update report	The meeting enquired whether any savings might be spent on lower priority estate items. The Deputy Principal advised that some £70,000 of works were included on the “B” list of capital projects. However, the emphasis and focus on cash preservation should be adhered to unless the long-term value of the particular capital asset will be adversely affected.
57.18	REPORTS FROM CORPORATION COMMITTEES REPORT

57.1	<p>Finance and General Purposes 8th March</p> <p>The Chair of Finance and General Purposes advised the meeting that most of the items discussed at the March Committee meeting had been included in Corporation meeting agenda.</p> <p>The Finance and General Purposes Committee noted that student recruitment for 2019/20 is currently 11% higher than at the corresponding point in 2018. It is paramount that these applications are successfully taken through to enrolment.</p> <p>The Committee also discussed the VAT status of College</p> <p>The priorities of the Growth Committee continue to focus on Curriculum</p>
57.2	<p>Curriculum and Quality Committee 13th March</p> <p>The Deputy Principal (Curriculum and Quality) provided an update in the Chair's absence.</p> <p>The Governor scrutiny panel generated good detailed challenge.</p> <p>The Committee discussed English & Maths in particular regarding attendance and achievement rates.</p> <p>A system to help track the added value of attendance at NESOT provides for the students via its enrichment programme will be introduced in 2019/20.</p> <p>The Committee noted that it is essential that curriculum planning meets the needs of the community</p>
57.3	<p>As noted in the KPI's retention rates are very high and the College is currently double-checking the data.</p> <p>Audit Committee 15th March</p> <p>The Chair of Audit advised the meeting that the Internal Auditors have given substantial assurance on the Learner Journey Audit.</p> <p>The Whistleblowing investigation undertaken by the internal auditors regarding the appointment of the College IT suppliers and other matters relating to the cyber-attack found that no breach of regularity or propriety had occurred and concluded that no further action was required. The Audit Committee was satisfied by the audit report.</p> <p>The terms of reference for the comprehensive review of the College's IT received and field work has now commenced. The draft report will be tabled at the May Audit Committee.</p> <p>Outstanding audit actions: 3 of the original 30 from 2016/17 and 1 of the 54 from 2017/18 are currently outstanding.</p>

57.4	<p>The internal auditor is undertaking work to review the College's current group structure particularly relating to NESCOL Enterprises Ltd, with a focus on governance arrangements and the establishment of a VAT grouping.</p> <p>A free independent report on College's energy efficiency identified £172,000 potential annual savings per annum. The Committee is commissioning a second review to determine the robustness of the proposed annual savings and next steps, particularly around capital investment to secure the annual revenue savings.</p> <p>Strategic Risks have increased from 21 to 22 with 5 significant risks. Risk 16 has been elevated as the partnership with ICOM may be adversely affected if there is no Brexit deal. There is also an increased risk with the introduction of a new finance system.</p> <p>However, the Audit Committee continues to take confidence from the high level of assurance provided by the risk framework and audit reports.</p> <p>59 health & safety incidents have been reported this academic year representing a small increase compared to 2017/18.</p> <p>A further IT penetration test is required, and the College is considering asking IT students to test systems and identify problems. The students would be given a small remuneration for their time.</p> <p>Procedures for a lock down still require further work.</p> <p>A retender for internal auditors is scheduled for April 2019.</p>
57.5	<p>Search and Governance Committee 8 February</p> <p>The Chair reported that having reviewed the terms of office due to expire at the end of the current academic year and recommend to the Corporation:</p> <ol style="list-style-type: none"> 1. To extend the term of office of Sally Pritchard for one year 2. To extend the term of office of Margaret Martin until July 2023 3. Professor Luke to remain as a governor for a further two years. <p>The Board accepted the Search and Governance Committee recommendations regarding Sally Pritchard, Margaret Martin and Professor Luke.</p> <p>Growth Committee 11th February</p> <p>The Chair reported that the Committee had reviewed the College business plans. The Indian restaurant, Rasika is now open, trading well and receiving good reviews. The College is focussing on commercial activities that will add value (not necessarily purely financial) to students.</p> <p>The VAT report regarding NESCOL Enterprises Lt is awaited.</p>

58.18	REPORTS FOR APPROVAL
58.1	<p>HE Fee Policy 2020/21 must be submitted to the Office for Students. The Deputy Principal advised the meeting that RPI increases to course fees where the College is able to demonstrate that it remains cheaper than local universities have been made. The Chair of Governors asked how NESCOL HE fees compares with other Colleges in the area and whether the proposed fee increases will detract students from enrolling at NESCOL.</p> <p>HE Market analysis suggests that NESCOL is more expensive for some HE and less expensive for other HE courses than the other Surrey college's HE provision.</p> <p>There is an HE enhancement regarding the creative courses; £1,000 is used to support the student with course trips and materials. Students are advised of this when applying for the course.</p> <p>The Board approved the HE Fee Policy 2020/21.</p> <p>Settlement Payments (Part A)</p>
58.2	<p>The Director of HR advised the meeting that there were no changes since the last Corporation meeting of 8th February.</p>
59.18	CORPORATION CONFERENCE AND MEETING EVALUATION
<p>The Chair invited members to review the effectiveness of the Corporation Conference and the Board meeting.</p> <p>Comments made included: -</p> <ul style="list-style-type: none"> • In hindsight the Employer session was so useful it should have been videoed and shared with middle managers. • The employers' pertinent points have identified gaps to be addressed. These must be followed up and employers made to feel "special" and valued. • The marketing presentation should be shared with College staff. • The Board may need to allocate time at a future meeting to review the business fundamentals and understand the pressure on the business in the current very difficult operating environment. • The 650 companies which attended the Gatwick Diamond awards are all potential customers of NESCOL. • The College journey from good to outstanding needs to be College-wide. The College must ensure that staff are motivated for this journey. 	
60.18	DATE OF NEXT MEETING
<p>The next meeting of the board will take place on 24 May at 09.00</p>	
61.18	ANY OTHER BUSINESS
<p>There was no further business and the meeting closed at 17.30</p>	

Decisions made:

1. The Board accepted the Search and Governance Committee recommendation that Vince Romagnuolo be appointed as a NESCOLT Governor.
2. The Board accepted the Search and Governance Committee recommendations regarding the terms of office of Sally Pritchard, Margaret Martin and Professor Luke.
3. The Board approved the HE Fee Policy 2020/21.
- 4.

Action agreed:

1. Clerk to enquire regarding the health and availability of Dakshin Chandrasekera (Student Governor).
2. The Deputy Principal to investigate safeguarding comments made in the Media, Music, Art and Design faculty during the Governor Link visit.
3. Curriculum and Quality Committee to consider innovative English and Math's teaching to further engage students.
4. SMT to invite HE Student Council members who completed their studies in 2018/19 to the 2019 HE Induction Day.
5. SMT to consider a 'round up' of non-pay benefits for all staff.

Signed

Date

Professor Sam Luke, Chair of the Corporation

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