

Minutes of Meeting



CORPORATION BOARD

TUESDAY 5 NOVEMBER AT 3PM IN BOARD ROOM 1, RYE HILL HOUSE

Corporation Board Members		Attendance	
Full Name	Position	Attended	Apologies
John Widdowson	Chair of Corporation	X	
Liz Bromley	CEO – Ex-Officio Governor	X	
Rob Holt	Independent Governor	X	
Chris McCourt	Independent Governor	X	
Shirley Atkinson	Independent Governor	X	
Darren Crossley	Independent Governor		X
Lisa Gregg	Independent Governor	X	
Vikki Smith	Independent Governor		X
Rachel Taylor	Independent Governor	X	
Chris Wigginton	Independent Governor		X
Andrew Young	Independent Governor	X	
Charlotte Croffie	Independent Governor	X	
Joanne Marshall	Independent Governor	X^	
Louise Humpish	Independent Governor	X	
Chris Byrne	Staff Governor	X	
Sally McMahon	Staff Governor	X	
In Attendance			
Tony Lewin	Executive Principal – Curriculum	X	
Gerard Garvey	Executive Principal – People & Culture	X^	
Steven Wallis	Executive Director of Quality	X	
Scott Mulholland	Chief Information, Data & Estates Officer (CIDEO)	X	
Lisa Sproats	Chief Finance Officer (CFO)	X	
Jon Ridley	Principal - Newcastle College, Executive Lead (HE)	X	
Claire MacLean	Director – Business Development	X	
Lynne Griffin	Director – People & Development	X	
Jane Button	Principal - Southwark College (observer)	X	
Jane Farrelly	Director of Governance	X	
Tracey Mullen	Governance Manager (minutes)	X	

*attended part of meeting / ^attended virtually

Item	Agenda Item
1. Opening Items	
1.1	Opening and Welcome
The Chair welcomed all those present to the meeting.	
1.2	Apologies for Absence
Apologies were received from Independent Governors Darren Crossley, Chris Wigginton and Vikki Smith.	
1.3	Declarations of Interest
Independent Governor Shirley Atkinson declared an interest as a non-executive Director on the University of Cumbria Board of Directors.	
1.4	Update from the Chair on Board Matters
<p>The Chair had no update to provide outside of the substantive agenda items.</p> <p>In order to allow the recently elected staff governors participate fully in proceedings, the Board agreed to approve their appointment at the start of the meeting.</p> <p>Decision CB D154: The Corporation approved the appointment of Chris Byrne and Sally McMahon as Staff Governors on the Corporation Board for a period of two years.</p>	

2. Strategic Items	
2.1	Chief Executive Group Report
<p>The Board received the Chief Executive Group's (CEG) report from the Chief Executive Officer (CEO) who drew the Board's attention to the following key issues emerging across NCG and the wider sector:</p> <ul style="list-style-type: none"> • NCG colleges continue to focus on student numbers and retention, knowing the significant impact that this will have on budget and overall financial sustainability. • FE colleges await the outcome of the qualification reform pause and review. The Minister for Skills (Jacqui Smith) has committed to returning to the FE Commissioners Principals Reference Group (of which the NCG CEO is a member) in January 2025 with an update. • The recent budget announced £300m for colleges, however no detail has yet been provided around timings, how it would be allocated or how it is to be spent. • The increase to national insurance and the dropping of the threshold is expected to have a significant negative impact on NCG's finances (approximately £2.3m). • NCG is working on a capital bid to the North East Combined Authority (NECA) potentially worth £6m to NCG for investment and expansion in the existing energy academy and green 	

technologies. If this proceeds, an options appraisal report, which will include detailed work on the curriculum offer, will be presented to the Corporation Board in December.

The Board, having noted the key points above and the contents of the report, queried the following:

- VAT - The Board noted the recent government announcement that from 1st January 2025, all education services provided by a private school will be subject to VAT at a standard rate of 20% and queried any potential impact on the FE sector. The Chief Executive explained that the VAT charge would not impact on NCG as despite having been reclassified as a public sector organisation funded by the Department for Education, FE is still liable to pay VAT.
- School Decarbonisation Pilots – Independent Governor Rob Holt offered to connect the Newcastle Estates, Bidding and Principalship teams with the relevant bodies as a means of informing the Newcastle College infrastructure plan and roadmap.

3. Strategic Deep Dives

3.1 Student Recruitment

The Board received the reports on FE and HE student recruitment and noted the key points as follows:

FE (Executive Principal – Curriculum)

- Due to the lagged funding model in place, any growth must be funded by NCG and must therefore be carefully controlled.
- As of October 2024, NCG is on track to be ahead of its 16-19 funding allocation and the planned budget growth.
- Apprenticeship enrolments are running slightly behind profile. In some cases, this is to do with the processing of the documentation whereas in others it is due to fewer apprentices being signed up than planned.
- NCG has seen significant growth in applications over the year due to the work in engaging with schools and parents. This has translated into meeting the planned growth and for some colleges exceeding it.
- T-Level recruitment has been less than anticipated which is reflective of the national picture. Under-recruitment in T-Levels has a financial consequence as these students are funded at a higher rate and funding may be clawed back in-year. The uncertainty around T-Levels remains an ongoing concern. The new government instigated a 'pause and review' of the planned reform to Level 3 provision and this has resulted in some qualifications that were due to be defunded being given a reprieve for a year. NCG has continued to offer all T-Levels as planned but as a contingency arrangement it also reinstated the defunded qualification. This was to provide an alternative for learners not meeting the entry criteria for the T-Level.
- As part of the analysis of the demographic profile for the areas in which the colleges operate, NCG can identify a growth in 16-18 students up to a high point in 2028 in the North East and North West. The other college areas see a similar increase up to 2029. The trend shows that a

growth in 16-18 year olds up to 2028/29 dropping down but staying above the current T-Level 2024.

HE (Principal Newcastle College and Executive Lead, HE)

- NCG has maintained its recruitment of direct delivery provision at Newcastle College University Centre (NCUC) and grown its recruitment by partners. Direct delivery, excluding partnerships and International, is consistent with last academic year. This is better than expected and comes against a backdrop of negative national press regarding the value of Higher Education and a ferociously competitive market.
- The Higher Education provision at Carlisle and Kidderminster Colleges has not recruited to plan. The reasons for the lower than planned recruitment at Carlisle and Kidderminster is that FE learners progressed into employment (immediately after FE or between levels) and greater competition with local HEIs.
- At NCUC the sustained performance is attributed to strong campus leadership focussed on internal progression and outreach events for new students.
- HE colleagues are in conversation with Principals at Lewisham and Southwark College to explore international Higher Education delivery at the London campuses for June 2025. Corporation members were requested to note government policy has negatively impacted the NCG student cohort. However, HE colleagues are optimistic the 2024/25 budget target will be achieved.

The Board, having noted the key points above and the contents of the report, discussed the following:

- Adult and Apprenticeship enrolments would be reported more fully at a future meeting as they have a full recruitment profile which works across the academic year.
- The Board noted the staffing, resourcing and infrastructure challenges associated with demographic changes. The Executive Principal (Curriculum) advised that planning is robust and that the main challenge lies in staff recruitment in certain curriculum areas (e.g. digital and plumbing). The key focus is to offer a consistent, high-quality experience to students.
- The Board discussed the challenges around T-Levels and the planned reform to a Level 3 qualification, and it was recognised that not all Level 2 students have the ability to progress to Level 3 and there is a need to have stronger partnerships with employers to identify apprenticeship openings so students can be directed down that route if necessary. It was noted NCG has good experience in being able to support its students through the levels with positive success rates.
- The Board recognised the challenges that vacant posts, especially in English and maths, were having on the ability to meet demand and noted that there was a 14% increase in the number of resits in 2024 compared to 2023. Members noted that funding levels are lower for L1 and L2 students and agreed that this should be monitored at the FE Quality & Students Committee.
- The Board noted the smaller HE numbers at Carlisle and Kidderminster Colleges and queried at what point the cessation of delivery might be considered against the risk of a poor student experience. The Executive Lead (HE) advised that the provision in Kidderminster is small but

specific and tailored to the local need for qualifications and skills in that area. HE provision at Carlisle is kept under review at both HE Academic Board and HE Governance Committee.

4. Items for Approval

4.1 HE Partnership Growth – Oxford Business College

This Item was covered under a confidential minute.

4.2 2024/25 Internal Audit Plan

The Board received the 2024/25 Internal Audit Plan from the Chief Finance Officer and noted the key points as follows:

- The 2024/25 Internal Audit Plan was reviewed and endorsed by the Audit & Risk Committee at their meeting in September 2024, pending a few minor changes.
- The 2024/25 Internal Audit Plan identifies 12 review areas, and it is proposed that the majority of the reviews (8 in total) will be conducted by an external partner with NCG's in-house internal audit function carrying out 3 reviews and an external partner to conduct the mock funding audit. As requested by the Audit & Risk Committee, the Plan has been amended to specify the provider of each audit.

The Board, having noted the key points above and the contents of the report, queried the following:

- The Chair of the Audit & Risk Committee referred to the decision to use of an external partner to undertake the majority of the audit review areas and added that it had been challenging for the in-house internal audit team to carry out the audits and by using an external partner it would enable the team to provide proactive support to other key areas of the business. It was anticipated that the 2025/26 Internal Audit Plan would be more streamlined; with a greater emphasis on areas that will benefit from an audit review.

Decision CB D155: The Board approved 2024/25 Internal Audit Plan as presented.

4.3 2023/24 Risk Management Annual Report

The Board received the 2023/24 Risk Management Annual Report from the CFO and noted the key points as follows:

- The report had been reviewed and endorsed by the Audit & Risk Committee at their meeting in September 2024.
- NCG maintains a strategic risk register which in 2023/24 contained 13 risks that are considered by Corporation and senior management to be the risks that present the greatest threat to the achievement of NCG's strategic objectives. The strategic risk register is reviewed prior to each Audit and Risk Committee to ensure it remains up-to date and in line with the changing risk landscape.

- It was exemplified that whilst the organisation had invested heavily in cyber security, the senior management team had agreed not to reduce the risk rating due to the known risks and environment.
- Since the 2023/24 Risk Management Annual Report, a number of additional activities have been undertaken including an Annual Strategic Risk Review, Workshops and Risk Modelling.
- The key priorities for 2024/25 were set out within the report.

Decision CB D156: The Board approved the 2023/24 Risk Management Annual Report.

4.4	2023/24 GDPR / Information Governance Annual Report
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The Board received the 2023/24 GDPR / Information Governance Annual Report from the Chief Finance Officer and noted the following key points:

- The report updated the Board on Information Governance activity undertaken during the period 1st August 2023 to 31st July 2024.
- A review against the ICO's Accountability Framework has been undertaken and has shaped the Data Protection Team's ongoing action plan to improve compliance with data protection legislation.
- All existing policies and related documentation have been reviewed against relevant legislation and updated in line with governance procedures.
- An Information Governance Working Group has been established for 2024/25.,

The Board, having noted the key points above and the contents of the report, queried the following:

- A Governor noted that Freedom of Information requests were not included in the report and queried how the Board receives updates on numbers and compliance rates.

Action CB A45: Freedom of Information reporting to be added to the Corporation Board workplan and presented at a future meeting.

Decision CB D157: The Board approved the 2023/24 Information Governance Annual Report.

4.5	Corporation Matters
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The Board received the Corporation Matters Report from the Director of Governance and noted the following key points:

- **Vice Chair.** Expressions of interest for the role of Vice Chair were sought on 19 September 2024 and Dr Vikki Smith submitted her interest.
- **Student Governors** There has been significant interest across the Group in the role of student governor, in particular in the role of FE student governor. An election by all students will take place week commencing 4 November 2024 with a view to the successful candidates being appointed to the Corporation in December 2024.

- **Amendments to Terms of Reference** In the process of updating the Audit & Risk Committee Terms of Reference and drafting Terms of Reference for the new Finance & Resources Committee, oversight of the Financial Regulations was inadvertently included in the Finance & Resources Committee Terms of Reference instead of the Audit & Risk Committee Terms of Reference. As one of NCG’s key internal controls, oversight of the Financial Regulations will remain with the Audit & Risk Committee and both Terms of Reference will be updated to reflect same.
 - **Safeguarding Link Governor** The Board noted that independent Governor Lisa Gregg has agreed to take on the role of Safeguarding Link Governor. Lisa will work closely with the Executive Director of Quality and the Safeguarding Council to ensure that NCG is fulfilling its statutory responsibilities with regard to safeguarding and update the Board as relevant.
 - **Electronic Decisions** There have been two electronic decisions taken via email vote since the last Board meeting.
 - **Corporation Seal** The seal has been used on one occasion since the last Board meeting.
- Decision CB D158:** The Board approved the appointment of Dr Vikki Smith as Vice Chair of the Corporation Board with the term of office to run alongside the term of her appointment as Governor (i.e. until March 2027).
- Decision CB D159:** The Board approved the amendments to the Audit & Risk and Finance & Resources Committee as proposed.

5. Items for Assurance

5.1 Quality Report

The Board received the Quality Report from the Executive Director of Quality and noted the following key points:

- The 2023/24 academic year reporting will conclude with the approval of the NCG self-assessment report (SAR). This document brings together a high-level summary of the Group’s quality of education and performance. The SAR will be reviewed by the NCG Executive and Quality & Students Committee, before coming back to Corporation in December for approval.
- All colleges are self-assessing as “good” across all areas with one outstanding provision (adults) at Southwark College.
- The Board discussed preparations for the pending Ofsted inspection and the Executive Director of Quality advised of the following:
 - Ofsted typically call on a Monday/Tuesday to announce that they will commence an inspection on the Tuesday of the following week.
 - All colleges will then implement their 5-day preparation plan.
 - NCG CEO Liz Bromley will meet with inspectors at the start of the inspection, outlining NCG’s identified strengths, areas for improvement and the distance travelled since the last inspection.
 - Inspectors will then commence deep dives across NCG colleges. Deep dives will typically explore the largest, best and worst-performing curriculum areas.

The Board, having noted the key points above and the contents of the report, queried the following:

- In terms of final preparation for the impending Ofsted inspection, it was noted that the 2023/24 NCG SAR would be circulated to Corporation Board members, noting it was still in draft form, pending approval at Corporation Board in December.

Action CB A46: Draft 2023/24 SAR to be circulated to the Board.

5.2 Report on Financial Health & Operations

The Board received the Finance Report from the Chief Finance Officer and noted the following key points:

- The report was accompanied by the P2 management accounts.
- The new finance system TechnologyOne (T1) has been operationally live since 12 August 2024 with no major issues identified.
- The final external financial audit is underway, being performed by NCG's auditors Forvis Mazars. At this time no significant issues have been brought to management's attention. The production of the annual Financial Statements is on track to meet statutory deadlines.

The Board, having noted the key points above and the contents of the report, queried the following:

- The Board noted that the new Procurement Act is due to go live in early 2025 and queried whether the Board should be aware of any implications this would have on the organisation. The CFO explained that the Head of Procurement and her team are currently carrying out online training with colleagues and producing training material that will be shared across NCG.
- A Governor noted within the P2 Management Accounts (under Information Services) there was reference to an onerous contract relating to the previous finance system following the implementation of the new system which went live on 1st August 2024 and sought assurance that this would not be an ongoing issue. The CFO explained that this was to retain access to the information held on the old system and that it had been provided for in the 2023/24 accounts.
- The Chair noted that a significant amount of cash is committed against capital projects and queried if the senior team was confident the projects would be delivered to plan. It was explained that NCG has a project plan in place that is flexible to movement which protects funding timescales/any potential clawback facilities.
- A Governor referred to the fact there was cash in the budget due to a number of vacancies and queried whether there was a workforce plan in place to address the gaps in the staffing levels. The Executive Principal (People & Culture) explained that the vacancies are essential posts that have been challenging to recruit to but assured that over recent years the organisation had put an emphasis on growing and developing its own colleagues. He added that it was particularly challenging to recruit to English and maths posts and the recent secondary funded pay award announcement had increased the distance further between the salaries of FE

teachers and school teachers. It was noted that specifically skilled professional lecturers (i.e., plumbing) were also a challenge to recruit to.

- Noting the salary was an obvious factor, a Governor queried whether there were any other known factors attributing to attracting candidates to NCG. The Executive Principal (People & Culture) advised that there were regional challenges that differ across colleges i.e., particularly where there is a strong market of competing colleges within a region but noted that pay is usually the major factor. He assured that NCG focusses on its holistic benefits package (including the increased flexibility a College lecturer role brings) during recruitment campaigns. It was hoped that the ongoing job evaluation review will provide clear salary benchmarks and consistency across roles and will support future recruitment.

5.3 Committee Assurance and Escalation Reports and Minutes

The Committee Chair's presented the first set of Assurance and Escalation Reports and provided an overview of the following Committee meetings:

- **Search, Nominations & Governance Committee - 17 September 2024**
The Committee Chair was not in attendance, but the Board noted the contents of this report and the supporting minutes.
- **Audit & Risk Committee - 30 September 2024**
The Committee Chair drew the Board's attention to the outcome of the mock funding which provided positive assurance around a substantial amount of NCG's funding claim. He further noted the robust discussion the Committee had held on cyber-risk with the result that this risk score had not been reduced on the risk register.
- **HE Governance - 11 October 2024**
The Committee Chair reported that this had been extraordinary meeting held to discuss the new potential HE partnership which had already featured elsewhere on the Corporation agenda.
- **People & Culture Committee - 23 October 2024**
The Committee Chair reported that this was the first meeting of the new Committee, and the Committee had received a comprehensive report on people from the executive. The Committee also received a deep dive into the current job evaluation program.
- **Finance & Resources Committee - 24 October 2024**
The Committee Chair drew the Boards attention to the multiple programs of work that are being conducted across the NCG physical and virtual estate. He noted in particular the Newcastle Heat Network and suggested an external audit at the appropriate time may be helpful,

The Board, having noted the key points above and the contents of the report, queried the following:

- The Chair sought feedback from Board members as to whether they felt the new assurance and escalation reports added benefit and members agreed they provided good oversight of the Committee meetings, and the succinct format was helpful in allowing the Board to focus on more strategic matters.

6. Minutes and Action Register

6.1 Minutes of Previous Meeting – 10 September 2024

Decision: CB D160: The Board reviewed and approved the minutes of the Corporation Board meeting held on 10 September 2024.

6.2 Register of Actions & Decisions

The Board received the Register of Actions and Decisions from the Director of Governance and noted the closed actions. There were two open actions to remain on the register.

7. Closing Items

7.1 Meeting Evaluation

Independent Governor Andrew Young and the CIDEO provided their reflections on the meeting:

- The Committee Chair's assurance and escalation reports were a positive development and a useful reference guide.
- There was a good level of reporting within the papers.
- Freedom of Information Requests reporting is important and will be a positive additional item to the Corporation Board workplan.
- A summary report to item 4 – HE Partnership Growth would have been beneficial.

7.2 AOB

There was no other business raised on this occasion.

7.3 Date and Time of Next Meeting

The next meeting of the Corporation Board will take place in person on Tuesday 17 December 2024.