



Northern College

THE BOARD OF GOVERNORS

Minutes of the meeting of the Board of Governors held on **30 September 2021**.

Present: Bob Harrison, Clive Macdonald (Chair), Yultan Mellor (Principal), Mike Bramhall, Colin Forrest, Liz Stanley, Clare Clifton, Henry Otulakowski, Sue Horner, Neil James, Seb Schmoller and Ann Corrigan.

In attendance: The Assistant Principal – Finance and Business Services (Sue Saunders), the Assistant Principal – Student Experience (Diane Lawson), the Assistant Principal – Curriculum, Quality and Market Development (Emma Beal), the Head of Human Resources (Elin Longley) and the Clerk to the Governors (Sarah Johnson).

For min B21/93 only – Nicky Straughan (Curriculum Manager), Maria Bowie (Curriculum Manager), Lindsay Cooper (Curriculum Manager).

Apologies: John Edwards, Frank Lord, Tim Thornton, Ken Richardson and Angus Morrison.

DEVELOPMENT SESSION

- B21/93 The Board received presentations from curriculum managers regarding the curriculum plan for 2021/22, risks and areas for development. The Board particularly explored:
- the changing market and funding streams;
 - the curriculum offer and intent;
 - routes to market and recruitment challenges;
 - transport;
 - strategic decisions to support curriculum delivery and development;
 - attraction and retention of appropriate staff;
 - capital requirements in relation to curriculum developments;
 - opportunities in relation to apprenticeships;
 - the future inclusion of statistics in presentations.

DECLARATIONS OF INTEREST

B21/94 None.

MINUTES AND MATTERS ARISING

B21/95 The minutes of the meetings held on 15 and 26 July 2021 were approved as an accurate record.

B21/79 It was reported that the updated policy framework would be presented in conjunction with the final set of updated policies at the Board meeting in December 2021.

- B21/82 It was reported that as the College's risk landscape had changed the Audit Committee would consider the best approach to future internal audit provision at its meeting in November and report back to the Board in December.
- B21/88 It was noted that Ross Bannerjee had withdrawn from his appointment as an independent member of the Audit Committee.

SECTOR AND COLLEGE UPDATE (Document 3i)

- B21/96 The Board received a report which provided an update on sector developments and external information that could have an impact on College business and strategic planning, including:
- ESFA funding assurance review;
 - the ESFA business case 2020/21;
 - residential study assessment;
 - USS pension scheme and National Insurance Employer contributions;
 - Government spending review October 2021;
 - political manoeuvres;
 - DfE funding and accountability consultation 2021;
 - student attendance;
 - AoC white paper policy group;
 - Ofsted;
 - Curriculum, Quality and Market Development developments including 2021/22 curriculum planning and delivery and preparation for Ofsted;
 - Student Experience developments including management of student applications, development of the Learning Hub, Additional Learning Support (ALS), estates planning and commercial developments;
 - COVID update including assurance regarding compliance with all government guidelines;
 - Finance and Business Services including ICT and business systems developments, insurance and financial statements audit work;
 - People including restructure, terms and conditions and CPD.
- B21/97 The Board particularly explored:
- the College's business case submission for 2020/21 and the potential financial impacts;
 - the on-going discussions regarding assessment of residential eligibility and the likely impact on student recruitment and staff resources;
 - the College's preparation for Ofsted and the increased likelihood of an inspection this academic year, noting preparations for delivery in the event of another lockdown;
 - strategic developments in curriculum, noting the single approach developed through the restructure, a renewed focus on partnerships and employers, staff recruitment and hybrid delivery models;
 - grading of the College's self-assessment report for 2020/21 as a result of feedback from the FEC, agreeing that this would be discussed further at the Curriculum, Quality and Student Experience Committee;
 - the College's continued compliance with COVID guidelines;
 - investment in ICT and the need to reconsider options after the outcome of the 2020/21 business case is clear.

Resolved: i That grading of the College's self-assessment report for 2020/21 be explored further at Curriculum, Quality and Student Experience Committee.

PERFORMANCE REPORT (Document 3i)

- B21/98 The Board considered outturn management accounts for 2020/21, noting:
- the current outturn for the full year was projected as £611k deficit, the main variance was reduced income as a direct result of Covid and provision for clawback of £1,479k AEB/ALLB based on the 90% tolerance level confirmed by the ESFA;
 - income for the full year was projected to be £928k less than the original budget for 2020/21, the majority of which related to AEB/ALLB funding income as a result of lower student numbers due to the pandemic and lockdown;
 - savings of £249k from pay expenditure for the full year, the majority relating to vacancies which had not been filled in year due to lower student numbers, restructuring and reduced external/project activity;
 - non pay savings of £173k;
 - net current assets of £2,902k;
 - cash reserves at £4,800k, with no borrowings;
 - performance against key financial indicators and the ESFA financial health assessment, noting that the ESFA had confirmed in writing the College's financial health for 2019/20 as Outstanding with a maximum score of 300/300;
 - that whilst projected unmoderated financial health remained good for 2020/21 the College's financial health score would automatically be moderated to requires improvement as a result of a 0 score for EBITDA to income;
 - pensions liabilities which had improved by £500K from the previous year;
 - cashflow modelling which covered three years and monitored a range of different scenarios in relation to the potential outcome of the clawback of funds.
- B21/99 The Board considered the position in detail, specifically the approach to be adopted in relation to the outcome of the **ESFA four-year funding assurance audit** and the potential repayment of clawed back funding. The Board reiterated its position that:
- the College was right in applying the rules it did;
 - an appropriate repayment plan ideally over a number of years should be negotiated should any repayment be agreed;
 - the outcome of the COVID business case for 2020/21 would be critical in the overall assessment of the College's financial position, its financial health score and level of cash days and reserves.
- B21/100 The Board considered the ESFA financial health assessment letter and dashboard, noting that:
- the outcome had been delayed as a result of the agreed late submission of the College's 2019/20 financial statements;
 - the College had now been rated as Outstanding for 2019/20 (the outturn year);
 - a decision on the 2020/21 financial health grade had been deferred until a review of the July 2021 CFFR return had been completed.
- B21/101 The Board considered an update on student recruitment to date for 2021/22, noting that:
- long course recruitment for a September start was performing under target;
 - start dates for a number of courses had been delayed until January 2022;
 - an additional cohort for Access to Health Science Professions had been planned for January 2022 in order to mitigate underperformance;

- where students were being offered a programme of study starting in January 2022, they were being offered additional preparation courses in term 1 covering English, maths and digital;
- a contingency of £185k had been built into the budget for under-recruitment;
- short courses had begun to run on campus and the position was improving week on week, however it was too soon to fully assess the impact of COVID on student confidence for term one;
- where recruitment was low courses were being replotted to later in the term;
- there was a strong focus on additional marketing activities across the whole College;
- the position was under constant review and was being very closely monitored.

B21/102 The Board considered the position in detail, noting that:

- it was too early to take a position regarding short course provision;
- long course position was more challenging as there was less flexibility to recover in-year;
- there was a similar trend across the sector in relation to adults and reflecting the College's experience that applications were high, but conversion was low;
- the on-going impact of COVID into the Winter was unknown;
- the College had recognised the potential variables and had planned for under-recruitment in its sensitivity analysis;
- the College had significantly developed its curriculum offer and it was always likely that some impact on recruitment would be seen whilst it became established;
- there was a significant cost to the College in the repeated re-planning of provision and teaching small groups.

B21/103 The Board agreed that:

- performance needed to be monitored extremely carefully and the College would need to respond flexibly and creatively, whilst not destabilising the new curriculum offer meeting stated regional needs and carefully managing the capacity of core staff;
- the budget would need to be revisited at an early but appropriate stage and an updated position with detailed financial forecast scenarios should be considered at the meeting of the Board in December 2021, and by the Policy and Finance Committee at its meeting in November 2021;
- regular updates for the Board outside of the meeting were not appropriate as the management team were clearly responding to the position appropriately and in a timely manner, and the Board would review any strategic decision required at its meeting in December 2021;
- there were clear risks and the Board would need to assess how to manage and carry those risks, without putting the College into financial jeopardy.

Resolved: i That an updated position regarding student recruitment for 2021/22, with detailed financial forecast scenarios, be considered at the meeting of the Board in December 2021, and by the Policy and Finance Committee at its meeting in November 2021.

RISK MANAGEMENT AND ASSURANCE (Document 2iv)

B21/104 The Board considered the risk register noting that the College's key strategic risks had been explored throughout the meeting.

B21/105 The Board challenged the description of short course recruitment as steady, but agreed that this was an appropriate reflection of the College's current position given the on-going recruitment to short courses throughout the term/year.

Resolved: i That the report be noted.

WORKFORCE REPORT (Document 3iv)

B21/106 The Board considered the annual report for the workforce employed at the College between 1 August 2020 and 31 July 2021 which provided an overview of key staffing information, composition of the workforce and where possible benchmarking data. The Board particularly explored:

- staff recruitment during the year and turnover figures;
- sickness absence;
- utilisation;
- the approach to the staff survey in 2020/21, noting that for consistency the survey had been undertaken at this turbulent time and a summary report would be presented to the meeting in December 2021.

B21/107 The Board agreed that the College had been effective in the delivery of restructuring activity, particularly during a time of significant challenge and pressure.

Resolved: i That the report be noted.

STRATEGIC PLANNING (Document 4i)

B21/108 The Board considered an update on strategic planning activity focusing the College on achieving the 2025 Ambition and 3-year Business Plan approved as part of the College's independent proposal. It was noted that:

- as 2021/22 was such a critical year for the College six clear priorities for the year had been agreed which all College teams had used to create a focussed action plan;
- the priorities had been shared with the College's key stakeholders with a request for an indication as to how they would provide measurable support.

B21/109 The Board explored:

- whether the strategic process would effectively drive the 2025 Ambition and delivery of the College's plan;
- the opportunities and threats;
- how external issues and changes would impact on strategic priorities;
- how the priorities would feed into the Board's strategic planning session on 11 November 2021.

Resolved: i That the report be noted.

FINANCIAL PLANNING (Document 4ii)

B21/110 The Board considered a proposal regarding **subcontracting opportunities**. A separate confidential minute was recorded.

B21/111 The Board considered and approved a new subcontracting supply chain policy.

B21/112 The Board considered a proposal regarding **catering provision**. A separate confidential minute was recorded.

B21/113 The Board considered a proposal regarding **ESFA funding assurance clawback**. A separate confidential minute was recorded.

Resolved: i That the subcontracting supply chain policy be approved and added to the College's policy framework.

POLICIES FOR APPROVAL (Document 5i)

B21/114 The Board considered and approved the ICT user policy as a working draft, subject to the conclusion of the trade union review process.

Resolved: i That the ICT user policy be approved as a working draft.

STUDENTS' UNION AND STUDENT VOICE (Document 5ii)

B21/115 The Board considered a report which set out proposals regarding future student voice arrangements. It was noted that:

- historically the College had operated a Students' Union without sabbaticals which was not aligned to a model NUS constitution;
- the College proposed that:
 - it move from a traditionally constituted model to a council model based on a new NUS model constitution currently being developed;
 - until the National Union of Students' Student Council documentation is approved the Board approve the continuation of the College's current Students' Union Constitution.

B21/116 The Board explored and were assured that the College's student voice mechanisms were appropriate and robust and supported the introduction of the least complicated constitution which was fit for purpose.

Resolved: i That the proposed future student council approach be approved in principle and model documents be presented for consideration when available.

ii That until the National Union of Students' Student Council documentation is approved the continuation of the Students' Union Constitution be approved.

REPORT FROM LEAD GOVERNOR – SAFEGUARDING

B21/117 The Board received a verbal update from the lead governor – safeguarding, noting that:

- the lead governor was regularly updated by the College in relation to safeguarding activities;
- a written annual report would be presented to the Board at its meeting in December 2021;
- development activities reported at the last meeting remained on track;
- the College was alert to and responding to the risks relating to cyber-attacks, developments in relation to subcontracting and catering, the increase in conference delegates attending the College site and Ofsted.

Resolved: i That the report be noted.

REPORTS FROM COMMITTEES (Document 6ii)

B21/118 The Board received and noted minutes of the following meetings:

- Audit Committee – 22 February 2021;
- Curriculum, Quality and Student Experience Committee – 22 February 2021;
- Policy and Finance Committee – 26 May 2021.

GOVERNANCE MATTERS (Document 6iii)

B21/119 The Board considered a range of governance matters, including:

- the Remuneration Committee Annual Report to the Board;

- order of business for 2021/22;
- committee membership;
- future governance arrangements.

B21/120 The Board noted that

- a number of the terms of office of members would reach their end date during the next period;
- a number of short term reappointments had been made over the last year to ensure stability over the period of the FEC intervention (Diagnostic Assessment and Structure and Prospects Appraisal);
- this had included the co-chairs Bob Harrison and Clive Macdonald, who had previously intended to step down from the Board in 2020/21;
- the College had been given a clear steer that it would be expected to more strictly adhere to the guidance that governors serve a maximum of two terms of four years, other than in exceptional circumstances.

B21/121 The Board considered the position and agreed that:

- those governors whose terms of office would end during 2021/22 would not be extended where they have already served eight years or more, unless an exceptional circumstance applied;
- of these governors those that undertake a chairing role would be extended to 31 July 2022 to allow for the appointment of a new chair of the board and to allow new governors to get settled and reshape committees where appropriate;
- that a process for the appointment of a new chair of the Board be commenced and that governors who may be interested in standing for the role submit an informal expression of interest to the Clerk to the Governors by 29 October 2021;
- that the option to appoint a chair externally be retained should it be appropriate.

- Resolved:**
- i That the Remuneration Committee Annual Report to the Board 2020/21 be received and noted.**
 - ii That the Remuneration Annual Statement for 2020/21 be approved for publication.**
 - iii That the Order of Business for 2021/22 be approved.**
 - iv That Sue Horner and Henry Otulakowski be appointed to the Curriculum, Quality and Student Experience Committee.**
 - v That Clare Clifton be appointed to the Policy and Finance and Remuneration committees.**
 - vi That Mike Bramhall be reappointed as a governor in the category of 'interest and experience' for a term of office to 31 July 2022.**
 - vii That Ken Richardson be reappointed as a governor in the category of 'interest and experience' for a term of office to 31 July 2022.**
 - viii That Tim Thornton be reappointed as a governor in the category of 'interest and experience' for a term of office to 31 July 2022.**

- ix That governors be invited to submit informal expressions of interest in standing for the role of chair of the Board of Governors by 29 October 2021.

CONFIDENTIAL REPORTS FROM COMMITTEES (Document 7i)

B21/122 The Board received and noted confidential minutes of the following meetings:

- Audit Committee – 22 February 2021;
- Policy and Finance Committee – 26 May 2021.

STAFFING MATTERS UPDATE

B21/123 A separate confidential minute was recorded.

DATES OF THE NEXT MEETINGS

B21/124 Thursday 16 December 2021 - 11.00am
Thursday 10 March 2022 - 11.00am
Thursday 14 July 2022 - 11.00am

B21/125 Strategic Planning Session – 11 November 2021 – 12.30pm.