



Northern College

THE BOARD OF GOVERNORS

Minutes of the meeting of the Board of Governors held on **16 December 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, John Edwards, Frank Lord, Ken Richardson, Tim Thornton (from min B21/133 onwards), Angus Morrison and Ann Corrigan.

In attendance: The Assistant Principal – Finance and Business Services (Sue Saunders), 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).

Apologies: None.

DEVELOPMENT SESSION

B21/126 Members participated in a development session relating to preparation for Ofsted, and the roles and responsibilities of governors in relation to safeguarding and prevent, particularly exploring:

- the role of Ofsted in relation to residential education;
- destinations and progression;
- further preparation for governors in readiness for inspection;
- governors responsibilities in relation to Safeguarding and Prevent, and the impact of residence;
- further training and development for governors required.

DECLARATIONS OF INTEREST

B21/127 Each governor present declared any potential interests/conflicts of loyalty related to items to be considered at the meeting. Liz Stanley declared a potential conflict with respect to her role undertaking internal audits unconnected to the College for BMBC audit services on a self-employed basis. It was agreed that no decisions to be taken at the meeting would be affected and it was not considered necessary for the member to withdraw.

MINUTES AND MATTERS ARISING

B21/128 The minutes of the meeting held on 30 September 2021 were approved as an accurate record.

B21/95 It was reported that the planned review of the risk management framework by the Audit Committee would take place in February 2022 and be reported to the March 2022 meeting of the Board.

B21/114 It was reported that the ICT Acceptable Use Policy had completed its consideration by the trade unions and was now finalised.

CHAIRS' ACTION

B21/129 The Board ratified the decision taken by chairs action, in line with the delegation agreed at the last meeting, to approve repayment of £756K to the ESFA regarding the funding assurance audit 2016/17 to 2019/20.

GOVERNANCE MATTERS

B21/130 The Board considered and approved membership proposals.

B21/131 The Board noted the end of the terms of office of John Edwards, Frank Lord and Angus Morrison and thanked the members for their outstanding contributions to the governance of the College over many years.

- Resolved:**
- i That Aiden Roberts be appointed as student governor for a term of office from 16 December 2021 to 31 May 2022.**
 - ii That the term of office for Neil James be extended to 10 March 2022.**

SELF-ASSESSMENT REPORT 2020/21 (Document 3i)

B21/132 The Board considered the College draft self-assessment report for 2020/21, noting that:

- the draft had been considered by the Curriculum, Quality and Student Experience Committee (CQSE) at its meeting in November 2021 and feedback had been incorporated;
- overall effectiveness had been self-assessed as good, with outstanding features;
- the report and grading had been tested independently by an experienced inspector as part of a recent Ofsted healthcheck, who had supported the College's evaluation;
- the report had been challenging to write due to the impact of COVID, particularly in relation to accessing benchmarking data;
- comparative data had been included wherever possible;
- an associated quality improvement plan was in development and would be considered by the CQSE committee at its meeting in February 2022;
- key areas of action would include achievement rates, employability and intent, teaching, learning and assessment quality actions, and student journey.

B21/133 The Board considered the report in detail and;

- tested the assessments made and grades awarded;
- tested and challenged the priority areas for action, supporting the College's assessment that development work relating to progression and destinations was key for 2021/22.

- Resolved:**
- i That the Quality Improvement Plan be considered by the Curriculum, Quality and Student Experience Committee at its meeting in February 2022.**
 - ii That the College Self-Assessment Report 2020/21 be approved.**

FINANCE AND AUDIT (Document 3ii)

B21/134 The Board received an update which:

- set out the position with regards to the audit of the College's financial statements for 2020/21;
- provided an update in relation to the circumstances that had impacted on this;

- set out likely next steps as far as was possible at this stage.

B21/135 The Board noted that:

- the College was not yet in a position to present financial statements with a finalised audit opinion for 2020/21 for consideration;
- whilst the field work for the financial statements audit had been completed, and no significant issues had been identified, the auditors had been unable to complete their audit due to Grant Thornton, the ESFA and the College having a different interpretation of how the audit clawback payment should be treated in the accounts;
- the College had prepared their financial statements with the clawback treated as a prior period adjustment in the relevant years it related to and shown on the balance sheet as a creditor, and had consulted the ESFA who had supported this approach;
- however, on review Grant Thornton did not support this approach and were of the opinion that the liability arose subsequent to events crystallising in 2020/21 and should not therefore be treated as a prior year adjustment;
- Grant Thornton had therefore initiated their internal review process which was, as yet, incomplete and would not conclude until January 2022;
- the auditors had however completed their going concern assessment and concurred with management that the application of the going concern assumption was reasonable;
- the Annual Audit Committee Report to the Board for 2020/21 had been provided for consideration, but would be updated further prior to final submission of the financial statements to the Board.

B21/136 It was reported that the Audit Committee at its meeting in December 2021 had considered:

- the basis for the College's proposed approach in detail;
- the basis for Grant Thornton's proposed approach in detail;
- the feedback received from the ESFA, including their assertions that:
 - clawback should be treated as a prior year adjustment in the relevant years it related to and shown on the balance sheet as a creditor and cash movements recorded in future year(s);
 - having a qualified item in the audit report would be unlikely to negatively impact the College in the future;
- the treatment of the same situation by Fircroft College, which was consistent with the College's approach;
- the impact should the College maintain its current approach, noting that Grant Thornton would issue an unqualified opinion, with this exceptional aspect qualified.

B21/137 It was noted that the Audit Committee had agreed that:

- prior year adjustment was the right approach as the liability related to prior years' funding and this was therefore the most appropriate technical decision;
- it was aware that this would result in an unqualified opinion from Grant Thornton, with the exception of this aspect which would be qualified;
- it understood that as the College was effectively in technical disagreement with Grant Thornton, they would submit a formal report to their Head of Technical, who would review the position and conclude Grant Thornton's position in January 2022;
- it also understood that should Grant Thornton's current position be maintained they would inform the ESFA of their intention to qualify an element of the College's financial statements.

- B21/138 The Board considered the position in detail and supported the position adopted by the Audit Committee, agreeing that it believed under the circumstances this was the right technical decision, a position which was supported in writing by the ESFA.
- B21/139 It was noted that:
- the College had already requested, and had approved, an extension to their current filing deadline of 31 December 2021 with the ESFA;
 - no extension was required from Companies House as the current filing deadline was end of April 2022;
 - an additional meeting of the Audit Committee and the Board of Governors would be required to conclude the process in January 2022.
- B21/140 The Board considered the revised financial statements and agreed that wording relating to misinterpretation of the rules should more appropriately acknowledge the right of the College's funders to challenge our interpretation of the rules, particularly where there was a lack of clarity in how those rules were presented.
- B21/141 The Board considered the Annual Audit Committee Report to the Board and noted that an updated version would be presented along with the finalised financial statements in January 2022.
- B21/142 The Board considered the regularity self-assessment and approved it for signing.
- Resolved:**
- i **That the Board support the College's proposed treatment of the funding clawback in the Financial Statements 2020/21, accepting that this would likely lead to that aspect of the accounts being qualified by Grant Thornton.**
 - ii **That wording relating to misinterpretation of the rules in the financial statements should more appropriately acknowledge the right of the College's funders to challenge our interpretation of the rules, particularly where there was a lack of clarity in how those rules were presented.**
 - iii **That the regularity self-assessment be approved for signing.**

ANNUAL REPORTS (Document 3iii)

- B21/143 The Board considered the **Health and Safety Annual Report 2020/21**, noting that:
- the report provided a comprehensive summary of health and safety management, systems, audits, incidents and activities through the year, including the extensive work undertaken in response to COVID 19;
 - the report had been scrutinised in detail by the Audit Committee which had particularly considered the data in relation to accidents, RIDDOR and insurance claims, and were assured that there were no key issues to draw to the attention of the Board.
- B21/144 The Board considered the data in the report and welcomed the developments in year, concluding that the report provided them with appropriate assurance that health, safety and welfare were appropriately and effectively managed in line with statutory responsibilities. It was noted that the data in para 2, page 91 required refining.
- B21/145 The Board considered the **Safeguarding and Prevent Annual Report 2020/21**, noting that:

- the report had been scrutinised in detail by the CQSE Committee which had particularly considered the arrangements for oversight, practice and management, along with reported issues, the impact of COVID 19, local risks and threats, partnership work, and key actions for 2021/22;
- the committee had also reviewed the responsibilities of governors in relation to Safeguarding and Prevent and were assured that appropriate arrangements were in place.

B21/146 The Board considered the data in the report and an update from the Lead Governor Safeguarding, concluding that the report provided them with appropriate assurance that safeguarding and prevent were appropriately and effectively managed in line with statutory responsibilities.

B21/147 The Board considered the **Data Protection Annual Report 2020/21**, noting that:

- the report had been scrutinised in detail by the Audit Committee which had particularly considered compliance and developments for 2021/22.

B21/148 The Board considered the **Equality, Diversity and Inclusion Annual Report 2020/21**, noting that:

- the report had been scrutinised by Curriculum, Quality and Student Experience Committee at its meeting in November 2021;
- the CQSE committee had particularly focused on BAME representation in the staff group, challenging the College to reflect the issues more strongly in the report and seek to develop additional creative actions and targets;
- governor representation should be included in future reports.

B21/149 The Board supported the CQSE position regarding BAME representation in the staff group and agreed that a more detailed discussion be scheduled for a future meeting.

B21/150 The Board considered the Governance Annual Report 2020/21, noting that:

- despite being a challenging year effective governance had been maintained;
- governance had been externally evaluated and positively reflected on in the FEC intervention reports;
- there had been a heavy burden on governors in the year, significantly more meetings and input was required than usual, particularly in response to the structure and prospects appraisal process;
- governance had focussed on future strategy and sustainability;
- attendance had been high and above sector average;
- 2020/21 had been a deliberate period of stability in relation to membership in order to manage the challenging period, but 2021/22 would see significant changes, including a new chair and vice chair;
- compliance with the governance code had been maintained throughout the year, and preparations were underway to ensure compliance with the refreshed code in 2021/22;
- key priorities for 2021/22 would include:
 - ensuring the Board had the leadership and membership it needs, including in relation to diversity;
 - a review of the committee structure and membership conducted in conjunction with the new chair;
 - work on refining and developing the reporting framework, including the development of performance reporting (dashboard and performance reviews), and including complaints and student voice;

- planning for the implementation of the required external review of governance;
- oversight and appropriate response to governance developments arising from Skills and Post 16 Education Bill;
- compliance with the revised code, including development of a sustainability and climate change strategy;
- work on the new College website to ensure that transparency requirements continue to be met;
- an appropriate action plan would be developed and overseen by the co-chairs of the Board of Governors.

B21/151 The Board considered the governance in the sector update and considered the implications for the College.

B21/152 The Board considered a summary of the results of the **Staff Survey** undertaken in May 2021 noting that:

- a very low response rate had been achieved;
- the survey had been undertaken at an extremely challenging time for the College;
- overall it was difficult to draw any reliable conclusions from the data;
- the results would be shared with the College Leadership Team and key areas of feedback would be discussed and appropriately actioned;
- the College planned to completely refresh its approach to surveying staff.

B21/153 The Board agreed that:

- a refresh was required;
- the data was an important source of triangulation for governors and should be given appropriate priority;
- a more detailed discussion should be held at the meeting of the Board in March 2021.

- Resolved:**
- i **That a more detailed discussion regarding BAME representation in the staff group be scheduled for a future meeting.**
 - ii **That a more detailed discussion regarding the College's approach to staff surveys be held at the meeting of the Board in March 2021.**
 - iii **That governor data be included in future equality, diversity and inclusion reports.**

SECTOR AND COLLEGE UPDATE (Document 4i)

B21/145 The Board received a report which provided an overview of key items of internal strategic and operational College business, including:

- ESFA funding assurance review;
- the ESFA business case 2020/21;
- ESFA case conference meetings;
- AoC Conference 2021;
- the Skills and Post 16 Education Bill;
- external stakeholders;
- National Trust film;
- Curriculum, Quality and Market Development developments including website development, social media marketing, preparation for Ofsted, new provision;

- Student Experience developments including developments in Additional Learning Support (ALS), recruitment processes, Learning Hub, fire suppressant installation and commercial developments;
- COVID update including assurance regarding compliance with all government guidelines;
- Finance and Business Services developments including ICT staffing restructure and MIS developments;
- People developments including restructure, appointments, new HR system procurement, review of staff induction process and CPD.

B21/155 The Board particularly explored:

- the positive outcome of the business case for 2020/21;
- the planned FEC stock take visit on 10 February 2022;
- work with Miriam Cates MP;
- the outstanding DfE decision regarding future funding of residence and the invitation of Alex Burghart MP to the College;
- partnership work with Kate Josephs, Sheffield City Council Chief Executive.

Resolved: i That the report be noted.

PERFORMANCE TO DATE 2021/22 (Document 4ii)

B21/156 The Board considered an update on student recruitment to date for 2021/22, noting that:

- the context the College was operating in was changing on a daily basis due to COVID and this was continuing to impact on January recruitment;
- there had been limited uptake for the two further cohorts of Access planned for January and as a result only the Health Sciences cohort would run;
- enquiries started off strongly however a number of students dropped down to level 2 or students withdrew from the process;
- recruitment for Pre Access (term 2) remained strong and the College would continue to recruit throughout January with a view to over recruitment where possible;
- students were being offered a programme of study starting in January 2022, including additional preparation courses in term 1 alongside English, maths and digital as required;
- GCSE English and Maths courses had recruited under target in term 1 and as a result, further cohorts had been planned for term 2;
- the initial assessment and IAG centre approach in Barnsley town centre had not proved fruitful and the department was now trialling focused English and Maths days called 'Find your level';
- short courses had continued to run on campus and for term 1 courses continued to run on low numbers where necessary to stimulate delivery and further enrolments;
- no shows and cancellations continued to be a focus for student support services;
- there was a continued focus across the College on marketing activities through the use of case studies and testimonials;
- the new website had launched and the focus on social media and pay per click online advertising remained;
- new blended provision was being introduced and the College was ready to move to wholly online should this be required.

B21/157 The Board considered the position in detail, agreeing that:

- the context was very challenging and the likely on-going impact of the omicron variant was currently very unclear at this stage;

- the implications in relation to residential were very challenging, and different to the rest of the sector;
- the College approach to focus strongly on planning and preparation for 2022/23 was appropriate;
- the College needed to ensure its online offer was strong, resilient and congruent with residence;
- the College's social media and marketing could be further improved and enhanced.

B21/158 The Board considered management accounts to 30 September 2020 and a verbal update to end of November 2021, noting that:

- on-going recruitment challenges would continue to further impact on the College's financial position;
- a full re-forecast would be undertaken in January 2022 and considered by the Policy and Finance Committee at its meeting in early February 2022.

B21/159 The Board considered the report in detail, agreeing that whilst the position was not where the College wanted to be the management team were doing everything possible to manage the impact of the context.

Resolved: i That a full budget re-forecast be considered at the meeting in March 2022.

FINANCIAL PLANNING (Document 5i)

B21/160 The Board considered an update regarding subcontracting opportunities, noting and supporting additional one-year opportunities with Chesterfield College, subject to ensuring that strategic, quality and compliance/contractual issues were carefully considered on a risk basis.

B21/161 The Board considered an update regarding provision of the College's catering service, noting that:

- subsequent to the College issuing three months' notice to terminate the contract Thomas Franks had submitted a proposal to retain the contract and work to deliver the College's expectations and requirements;
- the College had considered the proposals and intended to extend the catering contract to the 31 July 2022;
- the contract would be subject to agreed service levels with key performance indicators and conditions relating to the contract extension.

Resolved: i That the College further explore subcontracting opportunities with Chesterfield College.

ii That the Board support the proposed extension of the College's catering contract to 31 July 2022

STRATEGIC PLANNING (Document 5ii)

B21/162 The Board considered a range of proposals that had arisen following the governors strategic planning session in November 2021, and two proposals recommended by the Policy and Finance Committee.

B21/163 It was noted that at the planning session governors had considered property, pensions and investment, and had agreed that:

- the College should undertake a formal revaluation to restate the buildings in the accounts as an asset;
- the College should explore the potential/cost of demolishing/redeveloping Wollstonecraft and the Annexes, considering commercial opportunities, planning permission and use of the land;
- proposals regarding the future use of the Owen Building should be considered by the Board at its meeting in December 2021;
- the College should seek professional pensions advice, with a limited brief, on the best way forward;
- the College should explore the potential for moving management and/or sessional teaching staff from USS and to a different scheme;
- ELT should consider and draw up a business case for investment for consideration at the December 2021 Board meeting.

B21/164 Taking into consideration the financial impact of proposals the Board considered and approved subject to further detailed plans where appropriate:

- an additional capital budget of up to £50,000 to relocate reception and student support services;
- an additional capital budget of up to £20,000 to renew external signage;
- investment of £30,000 in providing transport for students for the remainder of the 2021/22 academic year;
- £100K additional in-year revenue spend for commercial development, student journey and alumni/fundraising;
- £250K additional in-year capital spend for digital infrastructure, and refresh and refurbishment of student facing accommodation.

B21/165 The Board agreed that whilst the proposals would see the College move to a requires improvement financial health category, the expenditure represented essential investment to support the College to deliver its strategy, as opposed to poor financial management.

Resolved: i That proposed financial investments be approved, subject to further detailed plans where appropriate.

INSURANCE

B21/166 The Board considered the College's future insurance arrangements, noting that:

- following a tender process the cost had increased £26K from budget;
- this was however significantly lower than quoted from the current insurer;
- the new policy would provide more extensive cover.

Resolved: i That the report be noted.

AUDIT MATTERS (Document 6i)

B21/167 The Board considered the internal audit proposed plan for 2021/22, noting that it had been considered in detail by the Audit Committee who recommended that up to 13 days of coverage be approved.

B21/168 The Board noted an update and timetable regarding the re-tendering of both internal and financial statements auditors during 2021/22, noting that the processes would be overseen by the Audit Committee, with recommendations presented to the Board in March 2022 for financial statements auditors, and July 2022 for internal audit.

Resolved: i That the internal audit plan for 2021/22 be approved.

POLICIES (Document 6ii)

B21/169 The Board considered and approved the CPD, volunteers, special leave, grievance, maternity and adoption, equality, diversity and inclusion, and additional learning support policies.

B21/170 The Board noted the updated policy framework and welcomed the significant updating work that had been completed.

Resolved: i That the CPD, volunteers, special leave, grievance, maternity and adoption, equality, diversity and inclusion, and additional learning support policies be approved.

RISK MANAGEMENT AND ASSURANCE (Document 6iii)

B21/171 The Board considered the risk register recognising that the College's key strategic risks had been explored throughout the meeting, and noted that:

- WYCA were currently undertaking audit work in relation to residential assessment of students;
- the risk related to insurance would be fully mitigated on commencement of the new cover;
- a new risk relating to environmental sustainability would be added.

Resolved: i That the report be noted.

GOVERNANCE (Document 7i)

B21/172 The Board considered and approved revised terms of reference for the Curriculum, Quality and Student Experience and Policy and Finance Committees.

B21/173 The Board noted the arrangements for the external recruitment of chair of the Board of Governors.

Resolved: i That revised terms of reference for the Curriculum, Quality and Student Experience and Policy and Finance Committees be approved.

MINUTES FROM COMMITTEES (Document 7ii)

B21/174 The Board received and noted minutes of the following meetings:

- Policy and Finance Committee – November 2021;
- Audit Committee – November 2021.

CONFIDENTIAL MINUTES FROM THE LAST MEETING (Document 8i)

B21/175 The confidential minutes of the meeting held on 30 September 2021 were approved as an accurate record.

CONFIDENTIAL MINUTES FROM COMMITTEES (Document 8ii)

B21/176 The Board received and noted confidential minutes of the following meetings:

- Policy and Finance Committee – November 2021;
- Audit Committee – November 2021.

DATES OF THE NEXT MEETINGS

B21/177 Additional Meeting – January 2022 – to be confirmed.
Thursday 10 March 2022 - 11.00am

Thursday 14 July 2022 - 11.00am

Document 2iii