

The Corporation of New College Durham**Minutes of the meeting of the Corporation
held on 14 December 2023****Present:**

Christine Warren (Chair)
Andy Broadbent
Joy Brindle
Chris Patterson
Ben Fisher
Joyce Drummond-Hill (via
Teams)

Stephen King
Suzanne Slater (via Teams)
Allen Eccles
Ian Green
Davey Benson
Alice Tomlinson
Moss White

Apologies:

Emily Baxter
Mark Gomersall

In attendance:

Karl Fairley (Deputy Chief Executive)
Alison Maynard (Deputy Principal)
Paul Bradley (Chief Finance Officer)
Adele Dowson (Vice Principal)
Andy Stephenson (Vice Principal)
Peter Morrison (Vice Principal)
Colleen Peters (Vice Principal)
Lucy Robson (RSM UK) External Auditors (*via MS Teams to and including 23/138*)
Caroline Winter (Head of Governance and Corporation Secretary)

Action**23/145 Chair's introduction**

The Chair welcomed everyone to the meeting and reminded members to declare their interests in any item of business to be discussed at the meeting. No interests were declared.

23/146 Apologies for absence were received from Emily Baxter and Mark Gomersall.

Members agreed to re-order the agenda to move straight to Paper A, the financial statements auditors' management letter and then revert to the starred agenda items and remaining agenda.

23/147 Financial Statements Auditors' Management Letter and letter of representation (RSM UK audit LLP) (Paper A)

The Chair welcomed Lucy Robson of RSM UK Audit LLP to the meeting to present Paper A, the financial statements auditors' management letter for 2022/23.

Lucy advised that the auditors' report had been considered in detail at the Audit Committee meeting in November. It was expected that a clean opinion on the financial statements and regularity assurance statement would be issued subject to the resolution of two outstanding matters. Members noted the first issue related to receiving confirmation from the ESFA of funding levels, which was expected the following day. The second matter related to the

College exceeding the sub-contracting threshold, which had been communicated to the ESFA. The auditors required confirmation that a response had been received confirming the matter was resolved with no impact on funding.

Post meeting note: both matters were confirmed as resolved and the final audit findings report was circulated to Corporation members.

Members noted the final materiality position and that potential audit misstatements related to balance sheet reallocations with no impact on the outturn for the year. Members reviewed the risks identified at the planning stage as agreed with the Audit Committee and noted that these had been reviewed in detail by the Committee. Members sought assurance on use of the waiver process for capital expenditure and Lucy confirmed this had been used appropriately and that the annual report submitted to governors provided details in each case, ensuring governors had visibility of these instances.

Members reviewed the recommended controls and noted the management responses as set out in the report. Lucy highlighted the requirement for standard letters of representation to be issued alongside the accounts and also to confirm bank facilities. Lucy advised that enquiries of the Corporation Chair, Principal/Chief Executive and the Audit Committee had confirmed no awareness of fraud during the year. Members noted the additional funding testing work undertaken in relation to the ILR.

The Chair thanked Lucy for her clear presentation of the report. Members noted the report.

Lucy Robson left the meeting.

23/148 Starred items

Members **confirmed** that they did not require any further discussion about the starred agenda items C1 – C7, D, J, L1, M and N.

23/149 Minutes of previous meeting (Papers B1 & B2)

The minutes of the meeting held on 9 November 2023 (including confidential minutes) were **agreed** as accurate and signed by the Chair.

23/150 Matters arising not appearing elsewhere on the agenda

23/123 – the Board's congratulations on the academic performance in 2022/23 had been communicated to curriculum areas.

Confidential minutes:

23/123 – the Principal's update note was circulated to members.

23/151 Receipt of Committee minutes and verbal reports from chairs

Further Education Quality Curriculum and Students Committee (Papers C1a & C1b) – the minutes of the meeting of 16 November 2023 were received.

Audit and Risk Committee (Papers C2a & C2b) – the minutes of the meeting of 20 November 2023 were received.

Finance and Resources Committee (Papers C3 & C4) – the minutes of the meeting of 22 November 2023 were received.

Higher Education Quality Curriculum and Students Committee (Papers C5 & C6) – the minutes of the meeting of 23 November 2023 were received. It was confirmed that the minutes had been approved by the Chair without amendment since circulation with the Corporation papers.

Academy Sponsorship Committee (Paper C7) – the minutes of the meeting of 30 November 2023 were received.

In response to a member's query on the rationale for the confidential classification of some of the information in the committee minutes, it was confirmed that a process and criteria for categorising confidential information was required to provide greater clarity moving forward. It was noted that a paper was being prepared for review at the next meeting of the Search and Governance Committee, prior to submission for Corporation approval. It was also confirmed that the content of all Corporation and Committee minutes, whether confidential or not, was provided to auditors and Ofsted inspectors as and when required.

23/152 Internal Audit Annual Report 2022/23 (Paper D)

Members received Paper D, the Internal Audit Service Annual Report 2022/23 and noted the conclusion that Internal Audit provided a Moderate assurance opinion on the adequacy and effectiveness of New College Durham's governance, risk management and internal control arrangements for 2022/23.

Members noted the report.

23/153 Audit Committee Annual Report 2022/23 (Paper E)

Joyce Drummond-Hill, Chair of the Audit Committee presented Paper E, the Audit Committee Annual Report.

Members noted that the report feeds into the annual accounts and concluded that the Audit Committee can give reasonable assurance that the Corporation's audit arrangements, its

framework of governance, risk management and control are adequate and effective.

Joyce advised that the moderate assurance opinion of the Internal Audit service relating to 2022/23 was not a cause for concern and explained that this was due to more medium priority recommendations made in individual audit reviews this year. Joyce also emphasised the difficulty in auditors providing more than reasonable assurance on the basis of a programme of work that only related to a proportion of an organisation's activities. The Audit Committee would continue to ensure that the internal audit work programme was focused on the areas of highest risk to the College. Members noted the Committee's priorities for next year included appointment of a new internal audit service provider and to maintain the Committee's focus on risk.

The Chair thanked the Audit Committee for their work in providing assurance to Corporation and members noted the report and the Audit Committee Opinion.

23/154 New College Durham Annual Accounts for 2022/23 (Paper F1)

Paul Bradley presented the New College Durham accounts for 2022/23.

The accounts had been reviewed by Audit Committee on 20 November 2023 and the Finance and Resources Committee on 22 November 2023 where they were recommended to Corporation for approval.

The final surplus prior to FRS102 pension charges was £1,525,000 against a budgeted surplus of £281,000. The cash position remained strong at £17,768,000 and the provisional financial health rating remained 'outstanding'.

Paul highlighted the hard work of the finance team in collating the accounts, working very closely with the external auditors and also thanked the Business Development Unit and CIS Team who had been key in achieving a successful outcome in securing a clean audit report.

The Chairs of both the Audit and Risk and the Finance and Resources Committees confirmed a good discussion had taken place on the accounts in their respective meetings and it was noted that the Audit and Risk Committee would follow up the outstanding actions in light of management responses.

Members agreed to:

- note the financial results as shown by the Financial Statements presented in Appendix 1.
- **approve the Financial Statement for the year ended 31 July 2023 (subject to any final disclosure amendments)**

and authorise the Chair of Governors and the Principal and Chief Executive to sign and date the following:

- The Strategic Report to be signed and dated by the Chair of Governors on behalf of the Corporation.
 - The Statement of Corporate Governance and Internal Control.
 - The Governing Body's Statement of Regularity, Propriety and Compliance with the Funding Body terms and conditions of funding.
 - The Statement of Responsibilities of the Members of the Corporation (to be signed by the Chair of Governors only).
 - The Balance Sheet as at 31 July 2023
- approve appendix two and three being the representation letters to the external auditor confirming the understanding of the contents and basis of the accounts (Appendix 2) and confirming assurance with regard to regularity (Appendix 3).

23/155 Financial Monitoring to 31 October 2023 (Paper F2)

Paul Bradley presented Paper F2, which presented the financial position of the College at 31 October 2023. Members noted the FE, HE and apprenticeship enrolments position and the College's top 10 risks, which had been updated to reflect the Go North East bus strikes. Paul updated recent and current funding bids and confirmed these had not been included in the Term 1 update, but would be reflected in the November 2023 financial monitoring report.

Paul confirmed there were no financial issues of concern at the moment and the key focus for the College would be in delivering against the new contracts.

Members noted the report.

23/156 Term 1 – Financial Update (F3)

This item is recorded confidentially under minute 23/156a.

23/157 Cost of Living Pay Award 2023/24 (Paper F4)

This item is recorded confidentially under minute 23/157a.

23/158 Annual Report on Westfirst Ltd for 2022/23 (Paper F5)

Paul Bradley presented Paper F5, the Annual Report of Westfirst Limited for 2022/23.

Members noted the company had reported a loss of £1,282 for 2022/23 and a net liability position of £6,059. Paul advised that the College was required to provide a letter confirming its intention to

provide continuing support to Westfirst Limited but that the net liabilities were below the Managing Public Money threshold of £45k which required DfE approval.

Corporation agreed to:

- **Note the annual report and financial statements for Westfirst Limited for the financial year 2022/2023 covering the period 01 August 2022 to 31 July 2023 prior to their approval by the directors of Westfirst Ltd.**
- **Agree to sign a letter of comfort to Westfirst Limited for the year ended 31 July 2023 that underwrites the company's net liabilities of £6,059 which is below the threshold required by HMT Managing Public Money Framework that requires Department for Education approval (Appendix 2).**
- **Review and approve the representation letter to the external auditor confirming the understanding of the contents and basis of the accounts (Appendix 3).**

23/159 Financial Monitoring – Westfirst Limited to 31 October 2023 (Paper F6)

Paul Bradley presented Paper F6 which detailed the financial position of Westfirst Limited to 31 October 2023.

Members were updated on the profit and net liability position and noted the Westfirst Limited financial reports to 31 October 2023.

23/160 Capital Projects Update (Paper F7)

Paul Bradley presented Paper F7, which provided an update on the College's major capital projects.

Members were updated on the snagging works to the Technical and Higher Education Hub and the anticipated completion of the contract for the construction works to Promotion House to enable the build works to commence early in the new year.

Part of this item is recorded confidentially under minute 160a.

Members noted the progress on THE Hub project, the Artificial Grass Pitch (4G) Project and Promotion House, Langley Moor.

23/161 Principal's Report (Paper G)

The Principal briefed members about matters of strategic interest including sector funding and pay and the Minimum Service Levels Consultation.

From a College perspective, members were updated on the recent local bus strikes, the DfE termly conversation and forthcoming Annual Strategic Conversation in January, the latest developments within the Business Development Unit relating to Bootcamps and the UK Shared Prosperity Fund and work with the emerging North East Mayoral Combined Authority (NEMCA), the Deputy Principal's success in the NECC Inspiring Females Awards and the College's shortlisting as a finalist in the Beacon awards for College Engagement with Employers, the review of the North East IoT, visits to the College and changes to the senior staff.

Members discussed the impact of the bus strikes including potential recourse against the bus company in respect of financial cost and the wider impact on students and also the College's response in mitigating the impact on learning including re-sequencing the curriculum, prioritising practical work and scheduling additional sessions. The impact on mental health of some of the students unable to attend college was also noted and the Principal took the opportunity to thank everyone involved in dealing with the situation and raising the media profile of the issue.

Members sought further details on the IoT review and considered the challenges and opportunities in collaborating and operating alongside other regional initiatives with similar objectives such as the LSIF and LSIP. Members considered the potential impact on the FE sector of the minimum service levels consultation and commented that prevention of industrial action was better than cure.

In considering the number of externally funded projects members sought assurance on the College's capacity to deliver and were pleased to note that work was underway to consider the structures required as more contracts were secured. The Principal advised that whilst there was some risk involved, the College had an exceptional track record in delivering and that longer-term contracts would assist in recruiting the necessary capacity.

Members noted the Principal's update.

23/162 HE Partnerships Proposal (Paper H)

This item is recorded confidentially under minute 23/162a.

23/163 College Self-Assessment Report (SAR) 2022/23 and FE Quality Development Plan (QDP) (Paper I)

Alison Maynard presented Paper I, the College Self-Assessment Report (SAR) and the areas for improvement (AfI) and development (AfD) proposed to be taken forward through the FE Quality Development Plan in 2023/24.

The SAR and the areas for improvement and development had been considered at the SAR workshop on 30 November 2023.

Members noted that the approved SAR would be uploaded to the Ofsted portal, which although not a requirement was recognised as good practice. Alison reported that the College was proposing a grade of Good for Overall Effectiveness and a Strong contribution to meeting skills needs. Members noted that an extensive and robust validation process had taken place to determine the final position and members reviewed the grades against each of the key judgements and provision types.

Alison summarised the areas for improvement and development, highlighting that although there had been a significant improvement in attendance, this was not yet consistent. Similarly, improvement had been seen in behaviour and attendance but there was still a need for consistency across the College. Members emphasised the importance of the recruitment and retention position and its potential to impact all of the identified areas. Members commented that in considering the areas for improvement and development at the members' workshop, it was recognised these issues had been discussed throughout the year and there were no surprises.

Corporation approved the SAR judgements and QDP priorities.

The Chair thanked the staff involved in the production of the SAR noting that the final report summarised a significant amount of work.

23/164 Higher Education Annual Report 2022/23 and HE Quality Development Plan (Paper J)

Members received Paper J, the Higher Education Annual Report 2022/23 and HE Quality Development Plan. The paper had been considered by the Higher Education Quality Curriculum and Students (HEQCS) Committee on 23 November 2023, where members recommended the report and plan to Corporation for approval. The annual report detailed headline performance information over the year, identified a number of areas of good practice, provided College level judgements, reflected on the previous year's Quality Enhancement Plan and proposed key themes for the 2023/24 HE Quality Development Plan.

Members approved the HE Annual Report 2022/23 and the HE Quality Development Plan 2023/24.

23/165 Students' Union Report (Paper K)

Alice Tomlinson present Paper K, the Students' Union report. Members were updated on a number of charity, corporate, wellbeing and enrichment events in which the students' union had been involved and were planning for the new year. Members also noted the focus in the recent FE forum on the impact of the bus strikes and the extremely positive feedback on teaching and learning from all students attending the HE forum

The Chair commented on the breadth of positive activities and thanked Alice for her report.

23/166 Strategic Monitoring

Receipt of 2022/23 End of Year Reports (Paper L1)

Members received the 2022/23 end of year reports which had been considered in detail at the previous meetings of the Finance and Resources, Further Education Quality Curriculum and Students and Higher Education Quality Curriculum and Students Committees.

Members noted the performance against the Strategic KPIs for 2022/23.

2023/24 Strategic KPI update (Paper L2)

The Principal presented Paper L2, which provided the first update on performance against the Strategic KPIs for 2023/24. Members noted reporting was by exception and reviewed the narrative in relation to the areas RAG rated as red. Members commented that performance across the KPIs was generally on track and recognised the report reflected an early stage in the year. Members welcomed the report format in bringing the performance information into one place and whilst the detail would be considered in the sub-committees, the report would enable Corporation to track progress throughout the year.

The Principal drew members' attention to the HE KPIs and advised that whilst each sub-committee had been authorised to approve the final KPIs for 2023/24, the HEQCS committee had asked management to reflect on the HE recruitment targets following the decline in HE numbers in the current year. The targets had been reviewed and revised for the next two years and in future the partnerships information would be separated to enable individual monitoring of each partnership. The Chair of the HEQCS Committee confirmed that the discussion had focused on balancing a stretch target with pragmatism in recognition of factors outside of the College's control. The proposed targets represented a more realistic balance and the inclusion of the new partnership targets was welcomed.

Members noted the progress against the Strategic KPIs for 2023/24 and **approved the Higher Education KPIs for 2023/26.**

23/167 Mental Health and Wellbeing Strategy (Paper M)

Members received Paper M, the Mental Health and Wellbeing Strategy and noted the strategy had been reviewed and endorsed by the Finance and Resources, FEQCS and HEQCS Committees and reflected committee members' feedback.

Corporation approved the strategy.

23/168 Annual Health and Safety Report 2022/23 (Paper N)

Members received Paper J, the Annual Health and Safety Report for 2022/23. The report had been considered in detail by the Finance & Resources Committee on 22 November 2023.

Members noted the annual report and approved the Health and Safety Statement for publication.

23/169 Any other urgent business

The Principal updated the Board that the current meeting was Christine Warren's last as Corporation Chair as she would be stepping down from the role on 31 December 2023. Christine was first appointed as a governor in April 2015, as Vice Chair in July 2019 and served as Corporation Chair since July 2020. In her time as governor Christine had made a significant contribution to the College and Corporation, and as Chair supported the College throughout Covid-19 and led the board in oversight and strategy in relation to some of the College's major initiatives including the North East Institute of Technology, THE HUB, Promotion House, 4G pitch and HE collaborations.

On behalf of the Board and the Senior Leadership Team, the Principal thanked Christine for her dedication and commitment to the College.

Christine thanked both her governor colleagues and the senior team and confirmed her intention to continue as a governor until the end of her term in March 2024.

Signed.....Date.....