

The Corporation of New College Durham

**Minutes of the meeting of the Corporation
held on 12 December 2024**

Present:

Stephen King (Chair)
Andy Broadbent
Ben Fisher
Mark Gomersall
Jonathan Hamill

Kathryn McCloghrie
Beatrix Murray English
Chris Patterson
Philip Pollard

Apologies:

Emily Baxter
Davey Benson
Allen Eccles
Rhiannon Hiles
Suzanne Slater
Hailie Warren

In attendance:

Karl Fairley (Deputy Chief Executive)
Alison Maynard (Deputy Principal)
Paul Bradley (Chief Finance Officer)
Colleen Peters (Vice Principal)
Andy Stephenson (Vice Principal)
Adele Dowson (Vice Principal)
Peter Morrison (Vice Principal)
Rob Graine (Vice Principal)
Lucy Robson (RSM UK) External Auditors (*via MS Teams to and including 24/139*)
Caroline Winter (Head of Governance and Corporation Secretary)
Chloe Freeman (observing)

Action

24/137 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.

24/138 Apologies for absence were received from Emily Baxter, Davey Benson, Rhiannon Hiles, Suzanne Slater, Hailie Warren and Allen Eccles.

24/139 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 2023/24.

Lucy advised that as all members had been given sight of the audit findings report and the draft had been discussed in detail with the Audit and Risk Committee in November, her presentation would focus on the key highlights.

The audit had progressed smoothly and as planned and Lucy thanked management for their cooperation throughout the process. The audit work was complete and a clean audit opinion would be

given on the financial statements for both the College and its subsidiary, and in relation to the regularity report.

Lucy highlighted the unadjusted misstatements and net impact and advised that this was immaterial to the accounts with no adjustment felt to be necessary. Members reviewed the key risk areas identified at the planning stage and discussed with the Audit and Risk Committee, and Lucy drew attention to the report narrative relating to NA College, partnership activity and ongoing capital projects.

Lucy advised there were a small number of control recommendations relating to specific funding testing on the Individualised Learner Record (ILR), which was typical of a funding audit, but confirmed that none were deemed to be significant or have a material impact.

Lucy confirmed a thorough review of the financial statements had been conducted from a compliance and controls perspective and that a number of revisions to the narrative had been agreed through a process of review with management. These were reflected in the financial statements presented on the current meeting agenda. Members noted that standard letters of representation would be signed alongside the accounts following their approval and that specific points would be included relating to the Further Education sector internal audit and funding arrangements as well as specific reference to the NA College position. Lucy advised that the representation letters also contained standard communications to the auditors in respect of fraud and that enquiries had been made throughout the process with no matters highlighted. Lucy concluded by reiterating the audit had gone smoothly, there had been no adverse findings and that the control recommendations were normal following a thorough audit.

Members discussed the control recommendation relating to Land Registry records and in response to a member's question, Paul Bradley confirmed that the Executive Director of Estates and Facilities was liaising with the Land Registry to ensure the relevant records were being updated and that no further discrepancies in their records were identified.

Members noted the report.

24/140 Starred items

Members **confirmed** that they did not require any further discussion about the starred agenda items D, I, J, K, M, N and P.

24/141 Minutes of previous meeting

The minutes of the meeting held on 7 November 2024 were **agreed** as accurate and signed by the Chair.

24/142 Matters arising not appearing elsewhere on the agenda

There were no follow up actions in the minutes of the previous meeting. Members noted that a positive response had been received from staff to the Chair's email thanking those involved in the SAR process.

24/143 Receipt of Committee minutes and verbal reports from chairs

Education Quality Curriculum and Students Committee (Papers C1a & C1b) - the Chair approved minutes of the meeting held on 14 November 2024 were received. Members noted that there had been a substantial discussion on the Level 3 curriculum reforms following a presentation considering the different options and impacts depending on the forthcoming government decision. The Committee had received a good level of assurance on the options and pathways to be implemented in response to the government announcement. The Committee also had a detailed discussion on Maths and English performance and also received a good level of assurance on the strategy and approach to improve performance and attendance.

Finance and Resources Committee (Papers C2a & C2b) - the Chair approved minutes of the meeting held on 20 November 2024 were received. Members noted that reports considered the latest enrolment position, a detailed update on marketing and admissions, the proposed cost of living pay award, health and safety and the committee had received strong assurance that all areas were being well-managed. Performance against the strategic KPIs was in a good place and the reports enabled a clear overview of the current position at a glance, with supporting narrative to explain any issues as needed.

Audit and Risk Committee (Paper C3) – the Chair approved minutes of the meeting held on 25 November 2024 were received. The Committee had considered the draft audit findings report from the external auditors, reviewed the Risk Management Group report and discussed the strategic risk register, noting an additional risk had been added on mental health of staff and students. The meeting also considered a report on the Internal Audit review of the use of agency staff, an update on the re-tendering of the external audit service and the Committee's annual report to the Corporation.

Academy Sponsorship Committee (Paper C4) – the Chair approved minutes of the meeting held on 29 November 2024 were received. The Committee Chair updated on the Annual Report of the Chair of the Academies Trust detailing the progress made over the last year, including performance across the four primary schools that had joined the Trust and progress in the secondary schools, each of which had improved its position on the previous year. There had been a detailed discussion on attendance and assurance provided on the actions being taken. Members also

discussed the leadership structure at the Trust and proposed changes under consideration to ensure its future sustainability. The Committee considered a paper on the College's roles, responsibilities and risks as Principal Sponsor of the MAT and discussed the change in the relationship over time, noting that Corporation may want to consider the ongoing sponsorship position in future. The final substantive agenda item was the appointment of Christine Warren as a member of the Trust.

The Corporation Chair and the Principal provided some further context to the Principal Sponsorship role and the journey to date. It was noted that whilst there was no strong desire to end the arrangement, progress had been such that the main objectives of the arrangement in building new schools and improving academic performance were close to being achieved. The College's risk was reputational rather than financial and its input had reduced over time, however it would be important to consider a further year of sound academic results to demonstrate that improvement was consistent and that the Trust remained financially sound before reconsidering sponsorship. It was noted that if the sponsorship arrangement ended, the Trust would stand alone rather than a new sponsor being sought. Members noted that the report considered by the Committee would come to the March Corporation meeting for discussion and that the name of the Trust was likely to be raised for discussion in the near future. Members commented on the potential lack of understanding of the relationship between the College and the Trust due to the name. In response to a member's question about performance of the Trust if the sponsorship ended the Principal confirmed that the College would continue to work closely with the Trust in future, but there was a need to work towards the Trust being in a position to stand alone with the College having fulfilled its role as sponsor.

24/144 Internal Audit Annual Report 2023/24 (Paper D)

Members received Paper D, the Annual Internal Audit Report and Opinion 2023/24 and noted the conclusion that Internal Audit provided a Substantial assurance opinion on the adequacy and effectiveness of New College Durham's governance, risk management and internal control arrangements for 2023/24.

24/145 Audit & Risk Committee Annual Report 2023/24 (Paper E)

In the absence of the Audit and Risk Committee Chair, Caroline Winter presented Paper E, the Audit and Risk Committee Annual Report.

The report summarised the work of the Committee during 2023/24, including committee membership and attendance, review of the Committee Terms of Reference, the Committee's role in reviewing and advising the Corporation on strategic risks, oversight of the College's policies on fraud and whistleblowing, consideration of the College's approach to dealing with academic malpractice and

oversight of externally funded projects and their audit outcomes. The report also summarised the work completed by both the internal and external audit service on which the Committee's opinion for 2023/24 was based.

Members received the report and noted the Audit and Risk Committee opinion that the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets are adequate and effective.

24/146 New College Durham Annual Accounts for 2023/24 (Paper F1)

Paul Bradley presented Paper F1, the New College Durham accounts for 2023/24.

The accounts had been reviewed by the Finance and Resources Committee on 20 November 2024, where they were recommended to Corporation for approval, and by the Audit and Risk Committee on 25 November 2024. Paul advised that a small number of changes had been made to the report narrative since its circulation at the request of the external auditor. The amendments were not material and were reflected in the version due to be signed following approval.

The final surplus prior to FRS102 pension changes was £3,198,000 against a budget of £236,000 and Paul explained the reasons for the increase as outlined in the report.

Part of this item is recorded confidentially under minute 24/146a.

Members noted the performance against the financial indicators and that the provisional financial health score remained 'Outstanding'.

Paul asked that the College's thanks was placed on record to the external auditors in working closely with the internal teams.

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 2024 (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 2024**
- **Review and approve the representation letters to the external auditor confirming the understanding of the contents and basis of the accounts (Appendix 2) and confirming assurance regarding regularity (Appendix 3).**

24/147 Financial Monitoring to 31 October 2024 (Paper F2)

Paul Bradley presented Paper F2, the which detailed the financial position of the College at 31 October 2024.

Members noted the latest position on student numbers covering Further Education, Higher Education and Apprenticeships and were updated on HE partnership income. Members reviewed the College's Top Ten strategic risks and noted that the latest financial indicators confirmed the College as financially outstanding.

Members noted the draft financial position to 31 October 2024.

24/148 Term 1 – Financial Update (Paper F3)

This item is recorded confidentially under minute 24/148a.

24/149 Cost of Living Pay Award (Paper F4)

This item is recorded confidentially under minute 24/149a.

24/150 Annual Report on Westfirst Ltd for 2023/24 (Paper F5)

Andy Broadbent declared an interest in this item as a Director of Westfirst Limited.

Paul Bradley presented Paper F5, the Annual Report of Westfirst Limited for 2023/24. Members noted the company had reported a loss of £2,091 for 2023/24 and a net liability position of £8,150.

Paul advised that the future of the company would be determined over the next 12 months following completion of the Artificial Grass Pitch and professional advice was currently being sought on the most suitable vehicle for lettings income.

Corporation agreed to:

- **Note the annual report and financial statements for Westfirst Limited for the financial year 2023/2024 covering the period 01 August 2023 to 31 July 2024 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 2024 that underwrites the company's**

net liabilities of £8,150 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 letters to the external auditor confirming the understanding of the contents and basis of the accounts (Appendix 3).**

24/151 Financial Monitoring – Westfirst Limited to 31 October 2024 (Paper F6)

Paul Bradley presented Paper F6, which detailed the financial position of Westfirst Limited to 31 October 2024.

Members were updated on the profit and net liability position and noted the Westfirst Limited financial reports to 31 October 2024.

24/152 Capital Projects Update (Paper F7)

This item is recorded confidentially under minute 24/152a.

24/153 Principal's Report (Verbal update)

The Principal briefed members about matters of strategic interest including: developments since the new government's budget announcements, qualification reform, the AoC response to the government's 'Five Missions' and Plan for Change, the Industrial Strategy Green Paper and the anticipated Skills White Paper.

Form a College perspective members were updated on the region's strategy landscape including the North East Mayoral Combined Authority's (NECA) local growth plan, the Durham County Council Inclusive Economic Strategy and the North East Automotive Alliance LSIP. The College was continuing to work with NECA as well as considering how best to use its resources in response to demands across the various initiatives. Members were updated on cyber security, developments in relation to the Beacon awards for which the College was shortlisted, sponsorship of the Durham Together awards and recent visits. Members welcomed the update and commented on the range of ongoing activity which continued to demonstrate the College's strong position.

24/154 Update from Careers Education and Guidance Governor (Paper H)

Stephen King presented Paper H, which updated on his termly meeting as Careers Education and Guidance Governor.

Stephen commended the work of the School Engagement Team and advised that there was very strong engagement with careers leads in schools with the College leading on this agenda. Members were updated on the NCD Explore, Discover and

Experience events programme to support schools' careers provision and Stephen advised that in combination with marketing activity this was making a significant contribution to growth in applications.

Stephen updated on the changes to the Gatsby benchmarks and highlighted the amendment to benchmark 8 which had historically been difficult for colleges and had now been revised. Members noted the work with Durham County Council to develop a new all-age careers provision framework.

Stephen confirmed that from a governance perspective the Corporation could be assured that the College was delivering strong provision in this area and consistently across the County.

In response to a member's question on whether there were any gaps or areas for improvement in the College's activities, it was noted that the Gatsby benchmarks supported the College's work in this area and that the reforms provided some certainty in respect of benchmark 8 (personal guidance) and what this would look like to support young people in years 10 and 11 in the context of Level 3 provision.

Members noted the assurance of the Careers Education and Guidance Governor that the requirements and expectations around the provision of careers education and guidance are being met by the College.

24/155 College Self-Assessment Report 2023/24 and FE Quality Development Plan (Paper I)

Members received Paper I, the College Self-Assessment Report (SAR) for 2023/24 and the areas for improvement and development to be taken forward through the FE Quality Development Plan in 2024/25.

The SAR and the areas for improvement and development had been considered at the SAR workshop for governors on 28 November 2024.

Members approved the SAR judgements and QDP priorities.

24/156 Higher Education Annual Report 2023/24 and HE Quality Development Plan (Paper J)

Members received Paper J, the Higher Education Annual Report 2023/24 and HE Quality Development Plan. The paper had been considered by the Education Quality Curriculum and Students EQCS Committee on 14 November 2024, where members endorsed the annual report and recommended the QDP priorities 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 Development Plan and proposed key themes for the 2024/25 HE Quality Development Plan.

Members approved the HE Annual Report 2023/24 and the HE Quality Development Plan priorities for 2024/25.

24/157 Students' Union Report (Paper K)

Members received Paper K, which updated on the FE and HE Student Forum meetings, enrichment activity, training undertaken by the Students' Union President, the recent World Mental Health Day event, a student voice activity at the Construction Centre of Excellence and events provided since half-term.

24/158 Strategic Monitoring - 2024/25 Strategic KPI update (Papers L1 & L2)

Corporate Services Strategic KPIs:

Karl Fairley updated Corporation on the performance across the Corporate Services Strategic KPIs, which had been considered by the Finance and Resources Committee in November. Members' attention was drawn to the two RIDDOR reportable incidents and noted the details provided in the report narrative. Karl confirmed that all other KPIs were on track.

Members noted the progress to date on the Corporate Services KPIs for 2024/25.

Education & Training, Apprenticeships and Higher Education:

Alison Maynard updated on Quality and Curriculum KPIs which had been further updated since consideration at the Education Quality Curriculum and Students Committee in November.

Members noted that up to date retention data was now available on the FE and Apprenticeship dashboard and this showed no areas of concern. Attendance had slightly decreased and work was ongoing with schools to understand the level of attendance and related issues of incoming students. Data checking activity was underway in preparation for the first prediction point in the New Year and members noted the positive achievement rate for sub-contracted delivery.

Alison highlighted the HE attendance data for Durham students and the continuation rates and student satisfaction data which was now available for both Durham and partner provision. The latest update showed a steady performance position in the first term.

Members commented that the data emphasised the importance of ongoing work on attendance and that it was also important that the measures to support this were understood. Having differentiated between each area of provision enabled teams to drill down and focus on realistic attendance in respect of different areas. Alison

updated on the large number of students undertaking lengthy and complex journeys to attend the College and advised that this work was helping to understand and support students to be on site.

The Principal confirmed that behaviour and attendance and the impact on workloads was a key area under consideration by the Senior Leadership Team and that patterns were changing as different year groups progressed. The College was now exploring whether there was a need to provide different types of support to ensure Curriculum Managers and Heads of School were focused on what they were here to do.

Members noted the KPI position for December 2024.

24/159 Annual Health and Safety Report 2023/24 (Paper M)

Members received Paper M, the Annual Health and Safety Report for 2023/24. The report had been considered in detail by the Finance & Resources Committee on 20 November 2024.

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

24/160 Committee Composition and Chairing (Paper N)

Members received Paper N and **approved** the following changes to committee membership and chairing arrangements:

- **Suzanne Slater to be appointed as Chair of the Education Quality, Curriculum and Students Committee**
- **Ben Fisher to stand down from the Education Quality Curriculum and Students Committee**
- **Ben Fisher to be appointed to the Finance and Resources Committee**

24/161 Chair's Use of Delegated Authority (Paper O)

This item is recorded confidentially under minute 24/161a.

24/162 Use of the College Seal (Paper P)

Members received Paper P and noted the application of the College Seal to the warranty and novation agreements relating to the Construction Centre of Excellence and to a variation of contract letter in respect of the Adult Education Budget funding from Tees Valley Combined Authority.

All of the documents were signed by the Chair and Principal on behalf of Corporation on 28 November 2024 and recorded in the Corporation Register of Seals.

24/163 Any other urgent business - none

24/164 Date of next meeting: 27 March 2025