

CHAIR APPROVED

The Corporation of New College Durham

**Minutes of the meeting of the Corporation
held on 6 July 2023**

Present:

Christine Warren (Chair)
Andy Broadbent
Joy Brindle
Joyce Drummond-Hill
Chris Patterson
Mark Gomersall
Davey Benson
Emily Baxter
Stephen King
Nicola Watchman-Smith
Allen Eccles
Ian Green

Apologies:

Alice Tomlinson
Ben Fisher
Karl Fairley
Peter Morrison

In attendance:

Alison Maynard (Deputy Principal)
Paul Bradley (Chief Finance Officer)
Adele Dowson (Vice Principal)
Andy Stephenson (Vice Principal)
Colleen Peters (Vice Principal)
Karen Milne (Training, Development and Access Fund Manager) to 27/73
Caroline Winter (Head of Governance and Corporation Secretary)

Action

23/72 Chair's introduction and starred items

The Chair welcomed everyone and reminded members to declare their interests in any item of business to be discussed at the meeting. The following interests were noted:

- Paper G (Academy Sponsorship Update) – Christine Warren, Andy Broadbent, Chris Patterson, Joyce Drummond-Hill, Davey Benson
- Paper H1 (Proposed changes to the Instrument and Articles of Government) – Stephen King
- Paper H2 (Appointment of Chair) – Stephen King

It was agreed to re-order the agenda to enable consideration of Paper I (Internal Audit Plan 2023/24) while the Audit Committee Chair was present and to move Paper B (Principal's Report) to the end of the agenda after all matters requiring approval had been considered.

It was noted that this was the last meeting for Nicola Watchman-Smith as she was resigning from Corporation at the end of the academic year due to increased work commitments. Nicola was

appointed to Corporation on 14 May 2021 and previously served as Co Vice Chair and Chair of the Higher Education Quality Curriculum and Students Committee. The Chair thanked Nicola for her service to the College and Corporation.

Members **confirmed** that they did not require any further discussion about the starred agenda items C1, C2, C3, C4, F5, H3, J, K, L and M.

Karen Milne left the meeting at 16.17pm

23/73 Apologies for absence were received from Alice Tomlinson, Karl Fairley and Peter Morrison. *Post meeting note – apologies were received from Ben Fisher immediately after the meeting.*

23/74 Minutes of previous meeting (Papers A1 and A2)

The minutes of the meeting held on 25 May 2023 (Including confidential minute) were **agreed** as accurate and signed by the Chair.

23/75 Matters arising

23/53a – the Principal would provide a progress update on HE partnerships as part of Paper B (Principal's Report).

23/76 Internal Audit Plan 2023/24 (Paper I)

Joyce Drummond-Hill presented Paper I, the Internal Audit (IA) Plan 2023/24.

Members noted that in considering the draft plan the Audit Committee had a lengthy discussion on risks and relative priority in different areas of activity and proposed some changes which had been reflected in the updated draft submitted for Corporation approval. The indicative 5-year strategic audit plan had been included as an appendix to the report to provide members with the wider context and assurance of the other areas that would be reviewed in future years whilst retaining flexibility within both the immediate and longer term. Members welcomed the inclusion of HE partnership activity given the developments in this area and the Chair of the Audit Committee advised that this was one of the areas added into the plan at the Committee's request.

Members **approved** the Internal Audit Plan for 2023/24.

The Audit Committee Chair also provided an update on the previous meeting of the Committee, at which the final internal audit report on the review of the Student Management Information system had been considered. The report provided moderate assurance and proposed a number of recommendations to strengthen implementation of the system. Members noted the weaknesses related to gaps in reporting across different systems,

but that a good discussion with management had taken place in which they had welcomed the report as very useful in identifying issues to be addressed. It was felt this would help develop both the current system and future projects.

Members were also updated that a process to appoint a new Internal Audit provider would commence in September as the current provider had confirmed they would not be seeking to extend their contract beyond the existing 3-year term which was due to end in July 2024. Members noted the updates.

23/77 Receipt of Committee minutes and verbal reports from chairs:

Finance & Resources Committee (Papers C1* and C2*) – the minutes of the meetings of 10 May 2023 and 13 June 2023 were received.

Academy Sponsorship Committee (Paper C3*) – the minutes of the meeting of 23 May 2023 were received.

Further Education Quality Curriculum & Students Committee (Paper C4*) – the minutes of the meeting of 8 June 2023 were received.

23/78 Update from Careers Education and Guidance Governor (Paper D)

Stephen King presented Paper D, which followed his termly meeting to discuss the College's careers provision. Members noted the updates in relation to qualification reforms and the concerns at the lack of awareness among local schools and other key partners of the changes and their implications for students. The meeting discussed how to raise awareness of the reforms through marketing and communications as well as the potential to use the voice of the NCDAT academy schools. Members also noted the range of careers and school engagement events since the previous update, the recent Matrix Continuous Improvement Check and progress against the Gatsby Benchmarks.

Stephen confirmed his view that the College was surpassing the requirements and expectations in relation to careers education and guidance provision with a wide range of activity in a number of areas, which was significantly ahead of other education providers.

23/79 Proposed Strategic KPIs – 2023/24 to 2025/26 (Paper E)

Andy Broadbent presented paper E, which proposed a revised set of strategic key performance indicators (KPIs) developed following a comprehensive review.

Members noted that Corporation had approved the Strategic Plan 2021-26 in July 2021, which detailed KPIs for all curriculum and corporate departments. After monitoring progress against these for

the last two years, discussions with members had identified the need to distinguish between strategic KPIs for ongoing monitoring and operational measures that did not require Board oversight.

A process had been undertaken to review the original KPIs focusing on areas where lack of progress would have a strategic impact on or create a strategic risk to the College. This considered the strategic work of corporate departments and the 3-year curriculum planning process across FE, HE and apprenticeships. The proposed changes to the KPIs for reporting had been reviewed in a dedicated session with members immediately prior to the current meeting. Andy confirmed that any KPIs removed from those reported to Corporation and Committees would continue to be monitored by the relevant teams at operational level and progress updates would still be provided through a supporting narrative.

Members reviewed the proposed changes and were also updated on the issues discussed in the pre-Board members session:

Finance and Procurement - Members were keen to understand the scoring in relation to the capital projects financial risk profile and whilst members welcomed the inclusion of an internal audit measure it was agreed to review the wording of the measure to consider the risk profile emerging from the IA plan.

Human Resources – Staff satisfaction had been added.

Estates and IT – the difficulty in identifying strategic KPIs was recognised and a number of operational measures were proposed for removal from governor monitoring. Three estates measures related to sustainability accreditation, capital projects and legislative compliance and IT considered capital project risks alongside a focus on risks relating to cyber security and disruption.

Marketing – all KPIs fed into a wide range of other strategic KPIs (e.g. student numbers) and were therefore proposed to be removed.

Corporate Dashboard – the Corporate Team had developed a dashboard to provide a visual summary of the KPIs across different areas of activity. Andy confirmed that the intention was to present the relevant dashboard to each committee meeting to provide a consistent format that would be updated with the latest available data and supported by a narrative on any areas of concern. The previous members' session discussion had concluded there was a need to review the proposed format as the current iteration had the potential to give only a partial picture of performance where greater nuance was required. It had also been requested that there were clear and consistent definitions for RAG ratings if these were included.

Education & Training and Apprenticeships – the expectation was that the majority of existing KPIs would be retained, however a number of queries had been raised in the members' discussion relating to the KPIs proposed for removal and it was agreed a further discussion would take place at the next meeting of the FEQCS Committee.

Sub-contracting – it was noted that the targets included would change as the region implemented the proposed devolution arrangements.

Higher Education – Andy apologised for the late circulation of the paper relating to HE KPIs and confirmed this had not been discussed in the members' session due to time constraints. Members noted the proposed removal of the student satisfaction measures on teaching on course, learning opportunities and learning resources and asked about the financial implications of a fall in student satisfaction. It was confirmed that overall student satisfaction had been retained as a measure and that there would still be an escalation route to governors via SLT in relation to any concerns over the financial implications of a reduction in satisfaction reflected in the measures to be removed. Andy also reiterated that where measures were proposed to be removed at Board level, these would continue to be monitored at operational level with any emerging issues included in the relevant Corporation/Committee reports.

Andy explained that this was an appropriate time of year to set targets for the year ahead rather than waiting until November as in previous years. Whilst the year end position was not finalised, teams had sufficient data to communicate targets to teams and commence the monitoring process. The Chair advised that the discussion in the previous session had concluded that it would make sense to seek provisional approval from Corporation but with a view to each committee reviewing the relevant KPIs at their next meeting. Members welcomed the proposal to remove a large number of KPIs which were management information, commenting that this would assist Corporation in focusing on strategic issues.

It was agreed that the issues raised at the members' session would be captured in a summary note so that these could be reviewed in the autumn committee discussions.

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Members agreed to:

- **provisionally approve** the revised set of strategic KPIs and associated targets and
- **delegate authority** to approve any revised targets to the relevant committee to determine in the autumn term.

23/80 Financial Monitoring to 31 May 2023 (Paper F1)

Pau Bradley presented Paper F1, which detailed the financial position to 31 May 2023. Members noted that the forecast surplus was £921,000 which remained unchanged from the previous two months. Paul advised that whilst there was a large surplus, this was required to support the ongoing major capital projects and therefore the College was not currently considering a non-consolidated pay award. The position on pay would be revisited in the autumn term when a clearer picture on enrolments was available.

Members noted the financial position to 31 May 2023.

23/81 Financial Monitoring – Westfirst Limited to 31 May 2023 (Paper F2)

Paul Bradley presented Paper F2, the financial reports for Westfirst Limited. Members noted a profit of £776 for the period and a net liability position of £4.001.

Members noted the Westfirst Limited financial reports to 31 May 2023.

23/82 Budget for 2023/24 and Two-Year Financial Forecast (Paper F3)

Paul Bradley presented Paper F3, the proposed budget for 2023/24 and indicative budget for 2024/25, which were recommended for approval by the Finance and Resources Committee.

Members noted the forecast surplus position for 2022/23 as discussed earlier in the agenda and the estimated surplus of £236,000 for 2023/24. Members reviewed the income and expenditure assumptions and the balance sheet position. Paul highlighted that the proposed staffing budget did not include any provision for a pay award due to uncertainty relating to some College contracts. The position would be reviewed following the Term 1 update when there was greater certainty on contracts and student numbers. Members considered the sensitivity analysis on the year-end outturn and the 2023/24 budget and noted the potential areas that could challenge the key assumptions in the budget. Members reviewed the analysis of the worst and best case scenarios on the basis of the assumptions made in the 2023/24 budget forecast.

Members discussed the position in relation to a pay award and in response to a members' question Paul confirmed that the cost of a 1% pay would be £250,000. Members noted that as the forecast surplus was £236,000 an award would lead to a deficit budget from the outset. Paul explained that this was why it was proposed to await the Term 1 update to revisit the position, in anticipation of further contracts secured by the Business Development Unit and a clearer position on HE and apprenticeship recruitment. The Principal advised that there was a level of prudence in the overall assessment and emphasised that the issues in the sensitivity analysis could progress positively or negatively. Staff expectations were being managed in light of the level of surplus as a non-consolidated award had been made at this time in some previous years.

The Chair of the Finance and Resources Committee confirmed that the Committee's view was that a very prudent budget had been proposed. The proposals had been scrutinised by and had

received challenge in a number of areas including apprenticeship recruitment and unconfirmed funding, after which the Committee were happy to recommend the budget to Corporation.

Following careful consideration of the underlying assumptions and sensitivity analysis **members agreed to:**

- Note the forecast outturn for 2022/23, the proposed budget for 2023/24 and the forecast budget for 2024/25, and
- Accept the Finance and Resources Committee recommendation to **approve** the budget for 2023/24 and the two-year financial plan which will be used for the College Financial Forecasting Return (CFFR) return due for submission at the end of July 2023.

23/83 Medium Term Financial Plan 2023/24 to 2027/28 (Paper F4)

Paul Bradley presented Paper F4, the Medium Term Financial Plan (MTFP) for 2023/24 to 2027/28.

Members reviewed the updates in relation to the national landscape, noting the ongoing impact of the pandemic and that this was the last year of catch-up funding, the rise in the Consumer Price Index, the fall of which was slower than OBR and Bank of England projections and that inflation remained high. The cost of living crisis continued to impact College expenditure as costs of goods and services were increasing at a higher rate than its income, whilst staff and trade union expectations on salaries and cost of living pay awards remained high. Members noted the potential impact of the emerging Mayoral Combined Authority and the sensitivity of the political balance at Durham County Council as one of the College's key strategic partners. Members reviewed the forecasted financial position and Paul highlighted reserves position which would fall at the end of the following year in line with the College's investment in its major capital projects. Members noted it was proposed to review the reserves policy in October 2023.

The Chair of the Finance and Resources Committee commented that the Committee had reviewed the MTFP and felt it was prudent and reflective of the College's current position. The Committee had discussed the reserves position and were keen to scrutinise any thinking behind a proposed change to the policy that would be a departure from the College's longstanding reserves position. In response to a member's question Paul confirmed that none of the current proposals would currently impact on the financially outstanding rating, but that this would need to be a consideration in making any changes in the future.

Members **approved** the Medium Term Financial Plan 2023/24 to 2027/28.

23/84 Capital Projects Update (Paper F5)

Members reviewed Paper F5, which updated on the College's major capital projects. Members noted progress on The Hub, the Artificial Grass Pitch Project and Promotion House.

23/85 Academy Sponsorship Update (Paper G)

Members reviewed Paper G, which updated on the findings of the New College Durham Academies Trust (NCDAT) external governance review report.

It was noted that the findings of the report had implications for the College as Principal Sponsor in relation to the appointment of local governing body members, decision-making on future Trust growth proposals and the appointment of NCDAT Trustees and Members.

In response to a member's question about the extract of the external report, the Head of Governance explained that the key issue from the College's perspective was that decision-making on NCDAT matters was the responsibility of the Academy Trust Board (ATB), including in relation to the transfer of new schools into the Trust as part of further expansion. In practice this meant the Academy Sponsorship Committee would receive updates in relation to Trust development rather than have an active role in approving any proposals. In addition, the Committee had no power to appoint Local Governing Body (LGB) members as the LGBs are a committee of the ATB and so appointment of LGB members would be undertaken by the ATB in future. In response to a member's question on the level of assurance provided through the revised arrangements, the Head of Governance confirmed that the changes emphasised the importance of the Committee's ongoing role in the appointment of NCDAT Sponsor Trustees and Members in which the Principal Sponsor had confidence. The mechanism for these appointments would be reviewed by the Committee at its next meeting. Members noted that Andy Broadbent was the Principal Sponsor Member of NCDAT as Chief Executive and Principal of the College.

Members noted the report.

23/86 Proposed changes to the Instrument & Articles of Government (IAG), Standing Orders, Code of Conduct, Conflicts of Interest Policy and Committee Terms of Reference (Paper H1)

Members received Paper H1, the recommendation from Search Committee to approve proposed changes to the Instrument and Articles of Government, Standing Orders, Governors' Code of Conduct, and Committee Terms of Reference.

A full review of the Corporation's core governance documents had been undertaken with the proposed changes reviewed in detail by the Search Committee. Further amendments were then made to

reflect the Committee's comments, which aimed to provide further clarity and consistency rather than make substantive changes.

The majority of amendments proposed were minor in nature to provide greater clarity in certain areas, update terminology, provide consistency where there was a conflict between and within documents and reflect current operating practices, for example in relation to remote meeting attendance and written resolutions. No changes were proposed to the Conflicts of Interest Policy.

Key changes to the Instrument and Articles of Government were to reflect the appointment of up to two Corporation Co Vice Chairs, to amend the provisions dealing with the timing of appointment of the Corporation Chair and Co Vice Chairs to support succession planning arrangements and to discount vacancies in Corporation membership when calculating meeting quorum.

Minor changes were made to the Committee Terms of Reference to ensure consistency with current guidance and across Committees in relation to monitoring of key performance indicators. The following substantive changes were also made to Committee Terms of Reference:

- Academy Sponsorship Committee – changes to the Committee's role in making appointments to New College Durham Academies Trust to reflect the findings of the Trust external governance review outlined in the previous agenda item (Paper G).
- Remuneration Committee – widening of the delegation to allow the Committee to determine variations to Senior Postholder Terms and Conditions.
- Search Committee – confirmation of the Committee's role in reviewing confidential papers.
- Finance and Resources Committee – confirmation of the Committee's advisory role in respect of amendments to the Financial Regulations.

In response to a member's question, it was confirmed that removal of the Corporation Secretary from the Search Committee composition was proposed in Paper H3 later on the agenda in line with good governance practice and that the Committee Terms of Reference would be amended to reflect this change once approved.

Members **approved** the revised Instrument & Articles of Government, Standing Orders, Code of Conduct and Committee Terms of Reference.

23/87 Appointment of Chair (Paper H2)

Stephen King left the meeting whilst members considered his nomination as Corporation Chair.

Members noted that following the appointment of Stephen as Chair Designate at the May Corporation meeting, the Search Committee asked the Corporation Secretary to explore the changes required to formalise the appointment and provide certainty to the Corporation's succession planning arrangements.

Following Corporation approval of the relevant change to the Instrument and Articles of Government in the previous agenda item around the timing of the appointment of the Chair (Paper H1), members **approved** the Search Committee's recommendation to appoint Stephen King as Chair of Corporation with effect from 1 January 2024 for a term of two years, subject to his term of office as a Member of Corporation.

Stephen King returned to the meeting and Corporation congratulated him on his appointment.

23/88 Committee Composition (Paper H3)

Members reviewed the proposed changes to Committee Composition recommended by the Search Committee:

- Alice Tomlinson to join FEQCS and HEQCS Committees
- Ian Green to join the Remuneration Committee as Chair
- Ben Fisher, Ian Green and Stephen King to join the Search Committee

The expiry of the terms of office of Linda Wight and Megan Poole were also reflected in the revised document.

Members **approved** the proposed changes to Committee Composition.

23/89 Governance Development Plan and Annual Review 2022/23 (Paper H4)

The Chair presented Paper H4, which outlined a proposed approach and refreshed template for the three questionnaires that inform the Corporation Annual Review of governance.

Corporation **approved**:

- the refreshed Annual Governance Survey questionnaire, the Chair's Performance Review questionnaire, the Governors' individual review and reflection questionnaire and,
- the proposal for individual discussions between members and the Chair or a Vice Chair, to inform the annual review of governance effectiveness and development of a Corporation training and development plan.

The Chair advised that the Chair's Performance Review questionnaire and the individual review and reflection questionnaire would be circulated the following week to enable the related discussions to be arranged, and that the Annual Governance Survey would follow later for completion over the summer.

23/90 Governors Additional Responsibilities – SEND Governor (Paper H5)

The Chair presented Paper H5, which proposed establishing the role of Governor for students with SEND.

Members noted that Corporation had link governor roles for Safeguarding and Careers Education and Guidance and that the paper set out the new expectation in the latest DfE FE Governance Guide for Corporations to appoint a lead governor for students with SEND. The Search Committee had reviewed a number of examples and felt that the role should be strategic and consistent with the approach to the existing link governors. Members noted that further information would be provided on the role when expressions of interest were sought next term, however the overarching purpose was to give Corporation assurance that the College was meeting its responsibilities in respect of provision for students with SEND.

In response to a member's question on the role description, it was clarified that the SEND governor would be expected to ensure that governors were receiving appropriate information on SEND provision from management.

Members **agreed** to establish the role of SEND governor and **approved** the role description. Members also **agreed** to seek expressions of interest the following term.

The Chair provided Corporation with a verbal update on the current member recruitment exercise. It was noted that further vacancies were anticipated in the coming months and members were asked to consider their own networks and provide details to the Corporation Secretary on potential routes for promoting governor vacancies.

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23/91 Principal's Report (Paper B - Confidential)

The Principal briefed members about matters of strategic interest including the following: the forthcoming parliamentary debate on DfE spending plans for post-16 and adult education, progress on the Lifelong Learning Bill, anticipated announcements on skills funding and accountability, decisions following the recent HE consultations and an Ofsted thematic review of T Levels. Members were also updated on the latest round of funding for Higher Technical Qualifications, developments in relation to reclassification from a college finance perspective and minor changes to Ofsted inspections that would apply to both schools and colleges.

Joyce Drummond-Hill left the meeting at 5.30pm.

From a College perspective, members noted updates on the work of the Business Development Unit in responding to tender

opportunities and engaging with employers across the region, the latest position on the College's existing partnership with the London School of Commerce as well as new HE partnerships currently being progressed, the forthcoming Team NCD day which included the first Staff Awards ceremony, student celebration events and the Back to Business event at the end of August, to which members were invited. Members were updated on the indefinite FDAP application, a number of awards for which the College and its students had been shortlisted and the review of the North East Institute of Technology partnership arrangements ahead of re-licensing.

Members discussed the delay in receiving final confirmation of the variation of degree awarding powers. It was noted that the delay was most likely due to a backlog of applications as the Quality Assurance Agency worked through the handover to the Office for Students and the Principal confirmed that all the feedback the College had received on the application had been positive.

Members were reminded that the detailed content of the report was confidential due to references to commercially sensitive discussions between the College and employers and external partners before finalising contract arrangements.

Members noted the report.

23/92 Curriculum & Quality Monitoring Reports (Paper J*)

Members reviewed Paper J, the Curriculum and Quality Monitoring Reports as discussed at the recent meetings of the Further Education Quality Curriculum and Students Committee and the Higher Education Quality Curriculum and Students Committee.

Members noted the curriculum and quality performance across FE, Apprenticeships and HE.

23/93 FE and HE Quality Development Plan updates (Paper K*)

Members reviewed Paper K, the Quality Development Plan updates for FE and HE as discussed at the recent meetings of the Further Education Quality Curriculum and Students Committee and the Higher Education Quality Curriculum and Students Committee respectively.

Members noted the progress against the FE and HE Quality Development Plans.

23/94 Annual Review of Single Equality Scheme and Action Plan (Paper L*)

Members received Paper L, which provided an annual update on equality, diversity and inclusion with focused examples of new

developments impacting on staff and students, legislative changes and progress against the previous year's objectives.

Members noted the Equality, Diversity and Inclusion Annual Report, particularly the feedback on objectives set for 2022/3 and the proposed objectives for 2023/24.

23/95 Schedules of Business 2023/24 (Paper M*)

Members **approved** the Schedules of Business for 2023/24 subject to finalisation of meeting dates.

23/96 Any other urgent business (communicated to the Head of Governance & Corporation Secretary in advance of the meeting)

The Chair confirmed that meeting papers would be circulated electronically only from the start of the next academic year and that members would be supported to use their NCD email accounts. Guidance would be provided before the start of the new term to support governors in the change in processes.

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Diary dates:

- HE Graduation Ceremony – 11 July 2023
- Back to Business Day – 29 August 2023

Signed.....**Date**.....