

NOTTINGHAM COLLEGE

CORPORATION MEETING

Minutes of the meeting held on 18 July 2018

Present: Carole Thorogood (Chair))
Mary Carswell)
Trevor Clay)
Andrew Dickinson) External governors
Richard Donovan)
Gill Lane)
Stephen Russell)
Michael Wisher)
John van de Laarschot Chief Executive Officer
Debra French Staff governor
Becki Pate Staff governor

In attendance: Ian James Clerk to the Corporation
Yultan Mellor VP Curriculum
Jo Clifford VP Finance
James Whybrow VP Partnerships, Apprenticeships & Enterprise
Emma Woods Director of Quality
Zoe Butler Director of Customer Experience
Ffyona Baker Director of OD and HR
Tom Dick Director of Curriculum
Jane Peacock ESFA

PART 1

WELCOME

313 The Chair welcomed Andrew Dickinson to his first Board meeting.

STEPHEN RUSSELL

314 As this was Stephen's last meeting prior to his retirement from the Board, the Chair thanked him for this service as a governor including his contribution as a member of the pre-merger Board of Central College and his chairmanship of the Audit Committee. Stephen was presented with a piece of student art work.

APOLOGIES FOR ABSENCE

315 Apologies were received from Anja Beriro, Charlotte Jackson and Andrew Unitt.

NOTICE AND QUORUM

316 The Chair reported that proper notice of the meeting had been given and a quorum being present in accordance with clause 11 of the Instrument of Government of the Corporation dated 14 June 2017, the Chair declared the meeting open.

DECLARATION OF INTERESTS

317 Each Member present had prior to the meeting confirmed that they had no interests which he or she was under a duty to disclose in accordance with clause 9 of the Instrument of Government of the Corporation dated 14 June 2017.

APPOINTMENT OF STAFF AND STUDENT GOVERNORS

318 Resolved

- 1 that Liam Perkins be appointed as the governor nominated by the professional services staff for a two-year term commencing on 1 August 2018
- 2 that Eseose Okotako be appointed as a student governor for a one-year term commencing on 1 August 2018
- 3 that Gill Lane be reappointed as a governor in the external category for a one-year period commencing on 1 August 2018

MINUTES

- 319 **Resolved** that the minutes (Part 1) of the meeting held on 24 May 2018 be approved as a correct record and signed by the Chair

AUDIT COMMITTEE MINUTES

320 The Board received for information the minutes of the meeting of the Committee held on 11 June 2018. The Committee had recommended for approval the Business Continuity Policy referred to under the following minute.

POLICY REVIEW

321 The Board received the following policies for approval:

- Information Security
- ICT Acceptable Use
- Expenses Policy
- Travel Policy
- Financial Regulations
- Business Continuity Policy
- Supply Chain Fees & Charges

322 With regard to the IT Acceptable use Policy, a query was raised regarding security of personal devices used by staff and the Board was advised that a separate policy on this issue was being prepared.

323 **Resolved** that the policies list in minute 321 above be approved

FINANCE

Management Accounts P10

324 The VP Finance presented the management accounts to 31 May 2018 which showed that the College remained ahead of budget at this stage with a year to date surplus of £1.9m against a budgeted deficit of £1.2m. This was accounted for by one-off items and phasing while below target income was mitigated by savings on both pay and non-pay costs. The current year end forecast remained an overall operating deficit of £2.286m against a budgeted figure of £1.93m, a shortfall of £356k. The VP commented that cashflow was satisfactory in relation to the Bank covenants.

325 The management accounts contained a full explanation of variances to budget and the governors queried various areas of the accounts including the robustness of the estimates of apprenticeship income given the difficulties in that area this year. They also asked about the

increase in premises (rent & leases) expenditure and were advised that this was due to additional beauty therapy provision put on this year.

Bad Debt

326 The VP Finance presented a report setting out the current position with bad debt and write-off. The extent of bad debt was unduly high at present and the VP explained the steps being taken to address this problem. However, there was no individual debt large enough to require write-off by the Board.

327 In answer to governors' questions, the VP confirmed that the majority of the debt written off related to students. A debt-chasing procedure was carried out internally to pursue debts followed, if necessary, by referral to a debt collection agency. Debts owed by companies in relation to apprenticeships were followed up after 90 days.

Risk Register RED Risks

328 The Board received, for monitoring purposes, the risks assessed as remaining RED after the application of controls. The Audit Committee was looking at these in more detail to see if there was any way of reducing them further and, if not, they would report to the Board for an informed decision to accept these risks. It was accepted that these were likely to be the risks inherent in operating an FE college.

2018/19 Budget & Financial Plan

329 The VP Finance submitted the 2018/19 Budget & Financial Plan explaining the key assumptions behind the Plan which were derived from the College's business plan. At EBITDA level, the financial forecast was in line with the Transaction Unit Plan. The financial health category was rated as 'good' but reduced to 'satisfactory' as the extent of borrowing increased to 66% of income in 2020.

330 The College's 16-18 funded numbers were 6347 but the recruitment target was 7000 with the intention of over-recruiting the funded numbers by 300+. If this was achieved, the College would make an in-year bid for ESFA funding. The governors questioned whether this target was realistic and were advised that, while the College was running below target for applications from new students, this was offset by applications from those progressing from existing courses which were ahead of target. In response to another question, details of curriculum areas below target were provided. The SLT felt that the target was ambitious but achievable.

331 The governors asked whether there was anything more that the College could be doing to maximise recruitment and were advised of the range of activities that the College was engaging in such as continued extensive marketing, using student ambassadors and keeping in touch with applicants to seek to encourage conversion to enrolment. After the start of term, the College would be looking to recruit students who had originally opted for sixth form college but decided not to continue.

332 Other queries raised by governors included whether an increase of 120% in full cost work was realistic and the impact of not making any pay awards. The first point was answered by reference to known expansion of high margin work in motor vehicle through Emtec. The CEO commented on the situation regarding pay awards advising that a thorough job evaluation was required across the College in order to rationalise the current excessive numbers of job descriptions. Once completed, the position on a possible pay award would be reviewed.

333 A further concern raised by the Board was the extremely high ratio of borrowing to income due to reach 66% by 2020 and whether this was sustainable. The VP Finance undertook to provide a report on this matter setting out the borrowing position over the next

few years and how this would be handled in future including the impact of any property disposals.

334 The College was due to launch its new branding in August and the CEO wanted to link this to the strategy/values which were not quite in their final form at this stage. Consequently, he asked the Board to establish a task & finish group to oversee and finalise this work.

335 Resolved

- 1 that the 2018/19 Budget and Financial Plan be approved
- 2 that a task & finish group comprising the Chair, Mary Carswell, Andrew Dickinson, Richard Donovan and Becki Pate be established to work with the CEO on finalising the strategy/values

CURRICULUM & QUALITY REPORT

336 The Board received the curriculum & quality update advising the Board of current performance. The Director of Quality advised that the overall achievement rate was forecast to outturn 0.3% higher than the previous year which the governors felt was pleasing given the background of the merger.

337 The report showed that curriculum areas which had been subject to intervention had improved although the areas of maths and English were still a cause for concern and likely to have a significant impact on the overall outturn. In an effort to improve this situation for the future, specialist maths & English staff would be based in curriculum areas rather than centrally and some curriculum staff had expressed an interest in upskilling to cover these subjects.

SCORECARD & KPI'S REPORT

338 The Board received the monthly report setting out the College's KPI's which were RAG-rated and updated through a commentary explaining current progress. At this stage, although retention rates had declined by 1%, the College remained on track to achieve the 16-18 and 19+ targets set for the year.

339 Some concern was expressed that only 43% of staff had completed all five mandatory training modules. Whilst the overall number of modules to be undertaken by all staff was 75% complete, the view was expressed that this was unsatisfactory and required attention.

ESFA CHOICES SURVEY OUTCOMES

340 The Board received and noted the outcomes of the mandatory student and employer surveys from the ESFA.

ESFA ASSURANCE REVIEW OF 2017/18

341 The Board was advised that the College had been selected for an assurance review of ESFA funded provision in 2017/18. This was an extensive piece of work that would take place in the week commencing 3 September and preparations were in hand to ensure that timely and accurate data could be provided to the auditor.

DATE OF NEXT MEETING - 4.30pm on Thursday, 30 August 2018

Chair

Date