

## NOTTINGHAM COLLEGE

### CORPORATION MEETING

#### Minutes of the meeting held on 25 September 2017

<b>Present:</b>	Carole Thorogood (Chair)	)
	Mary Carswell	)
	Trevor Clay	)
	Richard Donovan	)
	Gill Lane	) External governors
	Caroline Mackrory	)
	David Ralph	)
	Stephen Russell	)
	John van de Laarschot	CEO
	Debra French	Staff governor
	Caroline Houldsworth	Staff governor
	Charlotte Jackson	Student governor
	Jermaine Williams	Student governor

<b>In attendance:</b>	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
	Tom Dick	Director of Curriculum
	Zoe Butler	Director of Customer Experience
	Matthew Varley	Director of Estates/Capital Projects
	Ffyona Baker	Director of OD and HR
	Ian Curryer	Chief Executive Nottingham City Council (mins 1-19)
	Chris Henning	Nottingham City Council (mins 1-19)
Laura Taylor	Eversheds (1-19)	

#### NOTICE AND QUORUM

1 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. The quoracy of the meeting was not affected by the declaration of interest referred to in minute 3 below.

#### APOLOGIES FOR ABSENCE

2 Apologies were received from Richard Cox, Sam Webster and Michael Wisher.

#### DECLARATION OF INTERESTS

3 David Ralph (as Chief Executive of the D2N2 LEP) declared an interest in any matters to which that body was a party. For such items, he would not be entitled to speak, vote or be counted in the quorum. Each other Member present had prior to the meeting confirmed that they had no interests which he was under a duty to disclose in accordance with clause 9 of the Instrument of Government of the Corporation dated 14 June 2017.

## CHARITIES ACT 2011 AND FURTHER AND HIGHER EDUCATION 1992

4 The Chair reminded the Members of the statutory procedures under sections 125-126 of the Charities Act 2011 in respect of the borrowing and the granting of the security under the Transaction Documents (as defined below) and that all transactions must be to further the Corporation's charitable purposes and be compliant with all obligations under applicable charity law, and the members of the Corporation have the powers under section 19 of the Further and Higher Education Act 1992 to enter into the Transaction Documents.

### NO BREACH

5 The meeting reported that the authorisation of the execution and delivery of the Transaction Documents by the Members would not be a breach of the powers delegated to the Members in accordance with the Articles.

6 It was also reported that neither the execution and delivery of the Transaction Documents by the Corporation nor the performance of the Corporation's obligations thereunder would breach or would result in any breach of any obligation or restriction imposed by the Articles or any other agreement or instrument to which the Corporation is a party or which is otherwise binding upon it

### APPOINTMENT OF STUDENT GOVERNORS

7 **Resolved** that Charlotte Jackson and Jermaine Williams be appointed as governors in the student category of membership until the appointment of their successors or until they cease to be students at the College, whichever is the sooner

### MINUTES

8 **Resolved** that the minutes of the meeting held on 11 July 2017 be approved as a correct record and signed by the Chair subject to the addition of Debra French to the attendance list and Ffyona Baker to the apologies

### CITY COUNCIL LAND TRANSFER AND FACILITIES AGREEMENT

9 The Chair welcomed Ian Curryer and Chris Henning from the City Council. In his capacity as Chief Executive of the City Council Mr Curryer expressed his strong support for the City Hub project and for the arrangements proposed to be put in place between the Council and the College in order for the project to proceed. He felt that the College and the Council had come to a reasonable range of agreements which involved both parties sharing the risks involved with the project.

### Background

10 The Chair reported that at the meeting of the Corporation held on 7 June 2017, the Corporation had agreed to merge with Central College Nottingham and that on 8 June 2017, the merger had completed.

11 The Chair reminded the Members that the Corporation of the two pre-merger colleges had resolved to seek funding for the development of a skills hub in Nottingham City Centre ("**Hub**") and that it was proposed that the development of the Hub would be funded as follows:

- a) £30,000,000 from D2N2 LEP ("**the LEP**");
- b) £18,000,000 ("**Loan**") from Nottingham City Council ("**the Council**"); and
- c) £10,000,000 from the College's own resources.

12 The Chair reported that the Corporation was now moving forward with the Hub and was putting in place the legal documentation to commit the Council to making the Loan.

13 The Chair further reminded the Members that land for the development of the Hub had been identified and was land which was currently owned by the Council ("**Hub Land**"). It was proposed that the Council would, following practical completion of the development of the Hub, transfer the Hub Land to the Corporation. In consideration of this transfer, it was proposed that the Corporation transfer to the Council land at Maid Marian Way, Nottingham (registered at the Land Registry with title number NT375076) ("**Maid Marian Way**") ("**Land Swap**"). Due to the difference in valuation between the Hub Land and Maid Marian Way, the Council would pay the sum of £1,400,000 to the College when Maid Marian Way is subsequently transferred to the Council. The documentation for the Land Swap would need to be completed simultaneously with the Loan documentation.

14 The Chair further reported to the Members that the Corporation had resolved on 10 July 2017 to approve the delegation of authority to specified individuals in relation to the approval of, entry into, execution and completion of all documentation required to be entered into by the Corporation in connection with the Loan and the Land Swap.

### **Purpose of Meeting**

15 The Chair reported that as a condition to the Loan being made available to the Corporation, the Corporation would be required to enter into some documents, either now or in the future, and that the purpose of the meeting was to consider these documents ("**Transaction Documents**"):

- 1) a term loan facility agreement of £18,000,000 to be entered into between (1) the Corporation and (2) the Council ("**Facility Agreement**");
- 2) an amended intercreditor agreement to be entered into between (1) Barclays Bank PLC ("**Barclays**") (2) The Secretary of State for Education ("**SoS**") (3) the Council (4) the Corporation ("**Intercreditor Agreement**");
- 3) a side Letter to be entered into between (1) the Council and (2) the Corporation ("**NCC Side Letter**");
- 4) a side letter to be entered into between (1) the Council (2) the LEP and (3) the Corporation ("**NCC and LEP Side Letter**");
- 5) a subordination agreement to be entered into between (1) the LEP (2) SoS (3) Barclays (4) the Council and (5) the Corporation ("**Subordination Agreement**");
- 6) a second ranking legal charge ("**Legal Charge**") to be granted in favour of the Council in respect of the properties known as:
  - a) EMTEC, Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham NG11 6JZ (registered at the Land Registry with title numbers NT405576, NT444962, NT357433, NT401523, NT335853, NT345475)
  - b) Arthur Mee Centre, Church Street, Stapleford, Nottingham NG9 8AG (registered at the Land Registry with title number NT378178)
  - c) Highfields, Jesse Boot Avenue, Science Park, University Boulevard, Nottingham, NG7 2RU (registered at the Land Registry with title number NT430351 and NT444059)
  - d) The Charnwood Centre, Farnborough Road, Clifton, Nottingham, NG11 8LU (registered at the Land Registry with title number NT334147)
  - e) 23-27 Stoney Street, The Lace Market, Nottingham, NG1 1LP (registered at the Land Registry with title numbers NT274679)
  - f) 16 Stoney Street, The Lace Market, Nottingham, NG1 1LP (registered at the Land Registry with title number NT46254)

- g) 1 Broadway, The Lace Market, Nottingham, NG1 1PR (registered at the Land Registry with title number NT33901)
  - h) New College Nottingham, Pelham Avenue, Nottingham, NG6 0NB (registered at the Land Registry with title numbers NT435218 and NT322251)
  - i) The People's College, Maid Marian Way, Nottingham, NG1 6AB (registered at the Land Registry with title number NT375076)
  - j) Castle College Nottingham, High Road, Chilwell, Beeston, Nottingham NG9 4AH (registered at the Land Registry with title number NT466023);
- 7) a first ranking legal charge to be granted in favour of the Corporation in respect of the Hub Land ("**Development Legal Charge**");
  - 8) a first ranking charge over account as set out therein in favour of the Council ("**Project Account Charge**");
  - 9) an assignment of development assets as set out therein in favour of the Council ("**Development Assets Assignment**");
  - 10) a land exchange agreement to be entered into between (1) the Council and (2) the Corporation ("**Land Exchange Agreement**");
  - 11) a side letter in respect of the Land Exchange Agreement to be entered into between (1) the Council and (2) the Corporation ("**Land Exchange Side Letter**")
  - 12) a side letter in respect of enabling works relating to the development of the Hub to be entered in to between (1) the Council and (2) the Corporation ("**Hub Side Letter**")
  - 13) Land Registry form TR1s ("**Transfers**") to be entered into between (1) the Corporation and (2) the Council in respect of the properties known as:
    - a) the Hub Land;
    - b) Maid Marian Way;
  - 14) an overage deed to be entered into between (1) the Council and (2) the Corporation ("**Overage Deed**");
  - 15) a capital project board Governance Agreement to be entered into between (1) Nottingham College (2) Nottingham City Council and (3) D2N2 LEP ("**CPB Governance Agreement**")
  - 16) a formalities certificate to be executed by the principal of the Corporation setting out, inter alia, certain confirmations in relation to the Corporation as required to be given under the terms of the Facilities Agreement ("**Officer's Certificate**"); and
  - 17) any certificates and other documents to be delivered to the Council pursuant to the terms of the Facilities Agreement and the Transaction Documents.

16 It was noted that as a condition precedent to the Facility Agreement, the project monitoring surveyor (as appointed) would enter into a duty of care agreement with the Council in respect of such project monitoring surveyor's obligations in relation to the development of the Hub, a form of which is yet to be agreed ("**Duty of Care Agreement**")

The matters detailed in minutes 14-16 shall collectively be referred to as the "**Transaction**".

17 If thought fit:

- to approve the Transaction to be effected under or pursuant to the Transaction Documents;
- to approve the Corporation's entry into the Transaction and to authorise the performance of its obligations and the exercise of its rights in relation to the Transaction; and
- to authorise the Corporation's execution and delivery of such of the Transaction Documents to which it is to be party.

## Documents Tabled

18 An agreed form of each of the Transaction Documents was produced to the meeting. It was noted that each of the Transaction Documents were in draft form but significantly advanced. Each Member confirmed that they had the opportunity to review, and was familiar with, the contents of each of the Transaction Documents.

## Consideration

19 The governors were fully supportive of the City Hub project acknowledging it to be the second phase of the true merger of the colleges. Nevertheless, they were aware of the risks involved especially in relation to the need for the College to generate its £10m contribution towards the cost of the project by the time that funding was needed. They questioned the CEO and VP Finance on this issue in order to satisfy themselves as far as they were able at this stage that the level of risk was acceptable.

20 **Resolved (unanimously)** that the Chair, the Chief Executive Officer and the Vice Principal Finance ("**Authorised Officers**") be and are hereby authorised on behalf of the Corporation with regards to the Transaction Documents:

- 1 in good faith and for the purpose of carrying on its business, enter into the transaction and perform its obligations and exercise its rights in relation to the transaction;
- 2 the Transaction Documents be approved (subject, in each case, to such amendments as any Authorised Officer may approve);
- 3 any member of the Corporation be authorised to sign on behalf of the Corporation such of the Transaction Documents as are not required to be executed as deeds; and
- 4 the Authorised Officers be authorised to agree, affix and authorise the use of the seal of the Corporation and/or to sign and despatch on behalf of the Corporation all such other deeds, documents, agreements, certificates, notices, communications or confirmations to be signed and/or despatched by it under or in connection with the Transaction Documents to which it is a party ("**Ancillary Documents**"), and to do all such other things, as may be required, or as any member may approve, in connection with the Land Swap, the Loan and the funding of the Corporation.

## AUDIT COMMITTEE MINUTES

21 The Committee Chair introduced the minutes of the meeting of the Committee held on 11 September 2017. Further to the report at the last Board meeting, he advised that the Committee was now satisfied that there was sufficient assurance available for the Committee to issue its annual report relating to the accounts of Central College and Nottingham College.

22 The Committee had received its routine report on the integration of IT systems and were pleased with the progress so far which had enabled the student enrolment to be undertaken electronically for the start of the academic year.

23 The Committee had reviewed and amended the proposed Internal Audit Needs Assessment and the Annual Plan for 2017/18 which was now presented for Board approval.

24 **Resolved** that the Internal Audit Needs Assessment and the Annual Plan for 2017/18 be approved and that authority be delegated to the Committee to vary the plan during the year should they consider this to be necessary

## **GOVERNANCE & SEARCH COMMITTEE**

25 The Chair reported on the outcome of a meeting of the Governance & Search Committee meeting held immediately before this Board meeting. She referred to the following issues:

- the continuing efforts to recruit another accountant onto the Board to satisfy a TU requirement
- the outcome of the skills audit which had concluded that the Board had good coverage across all areas with the exception of “Digital/Information Technology”
- setting a target of 75% for governors’ attendance at Board and committee meetings (requiring attendance at around 8 out of 10 Board meetings annually)
- governors were invited to volunteer to be linked with management groups in the College in the areas of safeguarding, health & safety and EDI
- the Committee had agreed an annual schedule of business for the Board and committees

## **ENROLMENT REPORT**

26 The Vice Principal Curriculum presented a report on the current position with enrolments for the 2017/18 academic year. Current enrolments stood at 7342 although 150 students had either withdrawn or not started leaving a total of 7192 against a funding target of 7374 (98%). However, enrolment was continuing and a further 70 enrolments had been recorded since the report had been published.

27 The report analysed the enrolments by academic level and by faculty together with the wide range of factors affecting recruitment. By way of mitigation for the under-recruitment, the College would be focussing heavily on maintaining high retention rates while driving improvements in marketing, recruitment and customer experience. An aspect of retention that one of the student governors referred to was the need for new students to make friends early on when they started at College otherwise they tended to drift away to where their other friends were.

28 In terms of other recruitment, HE enrolment would commence shortly with UCAS acceptances for full time places currently standing at 337 against a target of 345. Recruitment to adult classroom based provision continued throughout the year but overall enrolments were ahead of plan.

29 One governor drew attention to the fact that a website for the merged College did not appear near the top of a google search commenting that this was a serious shortcoming in the marketing of the College that needed addressing in the short term. The Director of Curriculum advised that the College would soon be working on the brand strategy and that website design would be an important part of that exercise. However, work could be done in the short term to deal with this issue. He also emphasised the heavy investment that the College had made in social media activity to encourage enrolments this year.

30 With regard to recruitment to apprenticeships, the VP Partnerships, Apprenticeships & Enterprise advised that the numbers were ahead of plan at present although income was behind as the drawdown of the ESFA funding depended on the completion of contracts with partners followed by the submission of an invoice.

## **ACCEPTANCE OF TENDER FOR IT PROVISION**

31 The Board received a report setting out the arrangements made in respect of the College’s IT provision and requesting endorsement of the Chair’s action in approving the signature of the

contract with Tribal as this had been required urgently in order for the necessary systems to be in place for the commencement of the new academic year.

32 **Resolved** to endorse the Chair's action in authorising the signature of the contract with Tribal

## **FINANCE REPORT**

33 The VP Finance submitted a detailed report on the management accounts for the year ended 31 July 2017 which showed a deficit for the year of £3.1m. This was adverse to the College target deficit of £151k but £1.65m ahead of the TU plan. EBITDA was also ahead of the TU plan by £1.7m.

34 The report contained a detailed account of the variances in income and expenditure. The main issues affecting income were a shortfall in apprenticeship income offset partly by increased income from adult education and a release of grant to offset bursary support costs for students.

35 Pay costs were down in most areas to mitigate some of the income shortfall while non-pay costs were higher than budget due to increased payments to partners in relation to apprenticeships and higher bursary payments to students largely offset by corresponding income from the ESFA.

## **COLLEGE COMPANY NAME CHANGE**

36 The Board was requested to approve a change of name of the College company from "New College Nottingham Services" to "Nottingham College Services".

37 **Resolved** that the proposed change of name be approved

## **STAFF AND SLT LOCATION MOVES**

38 The Director of Estates/Capital projects presented a report advising the Board of the intention to relocate professional services staff and the SLT to create more cohesive working arrangements and also to release 1 Broadway for disposal. A separate report was submitted on the latter proposal which would be subject to a further, more detailed, report in due course.

39 Commenting on the proposal to locate the SLT at Highfields, some governors felt that the SLT should be located in one of the main student centres. However, the CEO advised that, while he has sympathy with this view, the main centres could not accommodate the size and style of working arrangement that the SLT required. The Director of OD/HR also commented that the intention was that members of SLT would be highly visible at locations across the College for a significant proportion of the working week.

40 **Resolved** that the intended relocations be supported together with the proposed disposal of 1 Broadway subject the submission of a further report at a later date

## **COLLEGE POLICIES**

### **Safeguarding Policy**

41 The governors received the proposed Safeguarding Policy for the College which required Board approval. The Director of Customer Experience commented that there was work to be done to modernise College systems in this area and in embedding the PREVENT agenda; the governor linkage arrangement proposed by the G&S Committee was welcome.

42 Training for staff and students would be undertaken as part of the implementation of the Policy and it was suggested that the College should ensure that the requirements of the Policy should also apply to College partners.

43 Attention was drawn to some anomalies in the wording of the Policy and the Director undertook to make the necessary revisions.

44 **Resolved** that, subject to the revisions referred to above, the Safeguarding Policy be approved

### **Modern Anti-slavery & Human Trafficking Statement and Modern Slavery Policy**

45 The governors received the proposed Modern Anti-slavery & Human Trafficking Statement and Modern Slavery Policy which required Board approval.

46 **Resolved** that the Modern Anti-slavery & Human Trafficking Statement and Modern Slavery Policy be approved

### **RISK REGISTER**

47 The Vice Principal Finance submitted an extract of the current Risk Register showing the risks remaining RED after mitigation. Unsurprisingly, these chiefly related to student numbers and funding issues.

48 Asked whether the risks around relocations and IT issues should be attracting a higher risk assessment in the short term, the Vice Principal assured the Board that IT integration and the effectiveness of the systems for students and staff were a high priority. Consultants were being used in an effort to resolve particular issues at some locations. One of the student governors commented that the students were aware that there were IT issues during the current reorganisation and were generally tolerant of the short term inconvenience.

49 Attention was drawn to some problems with the accommodation at London Road following the consolidation with Haydn Road and the Director of Estates/Capital Projects assured the Board that these were receiving attention.

### **ANY OTHER BUSINESS**

#### **Restructuring update**

50 The Director of OD and HR provided a brief update on progress with the staff restructuring advising that, following intense activity during the summer, only six employees remained in the process and that the number of compulsory redundancies would be a maximum of eight.

### **DATE OF NEXT MEETING**

51 23 October 2017 (5.30pm)

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Chair

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Date