



Northern College

THE BOARD OF GOVERNORS

Minutes of the meeting of the Board of Governors held on **24 April 2024**.

Present: Seb Schmoller (Chair), Emma Beal (Principal), Tim Thornton (up to and including Min B24/92), Neil James, Ray Low, Colin Forrest (up to and including Min B24/76), Sue Horner, Matt Stephens and Eve Bell.

In attendance: David Saint - Action Planning (Up to and including Min B24/64), the Deputy Principal/Chief Finance Officer (Sue Saunders), the Head of Human Resources (Elin Longley), Vice Principal - Student Experience (Diane Lawson) and the Clerk to the Governors (Sarah Johnson).

Observing: Mike Firth (Department for Education).

Apologies: Mark Sanders, Neil Copley, Ann Corrigan and Bob Craig.

DECLARATIONS OF INTEREST

B24/61 Each governor present declared any potential interests/conflicts of loyalty related to items to be considered at the meeting:

- with respect to his roles as Deputy Vice Chancellor at the University of Huddersfield and HE advisory member of the West Yorkshire Employment and Skills Committee Prof Tim Thornton declared a potential conflict of loyalty in items relating to the College's higher education provision.
- with respect to his role as vice chair Seb Schmoller declared a potential conflict in relation to proposed changes to the standing orders.

It was agreed that no decisions to be taken at the meeting would be affected and it was not necessary for either member to withdraw.

MINUTES AND MATTERS ARISING

B24/62 The minutes of the meeting held on 20 March 2024 were approved as an accurate record.

B24/63 The Board reviewed the action tracker and agreed that all items were complete, with the exception of:

B23/294 - governance action plan Which would be completed taking into consideration the recommendations arising from the external review of governance to be considered at this meeting.

B23/37 - membership of committees A proposal to be presented at the meeting of the Board in July 2024.

GOVERNANCE MATTERS (Document 2i)

- B24/64 The Board received a presentation and report arising from the external review of governance conducted by Action Planning. The Board:
- welcomed the report which it noted was generally very positive and provided assurance regarding the robustness of the governance arrangements in place;
 - explored and supported the range of recommendations proposed;
 - particularly explored the balance between detailed and lengthy papers for Board and committee meetings and the achievement of appropriate assurance and scrutiny;
 - agreed that an appropriately prioritised action plan to address the recommendations arising from the report, along with those areas for development already agreed as a result of the self-assessment of governance considered in December 2023, be presented for consideration/approval at the meeting in July 2024;
 - agreed that a draft summary for publication in line with DfE guidance be presented for consideration/approval at the meeting of the Board in July 2024.
- B24/65 The Board considered and approved revised standing orders, requesting that para 4.2 be further clarified to ensure that it is clear that it is not expected that the vice chair will succeed the chair.
- B24/66 The Board considered and approved a revised scheme of delegation for 2024/25 which reflected the revised governance framework agreed at the last meeting.
- B24/67 The Board considered and approved an order of business for 2024/25 which reflected the revised governance framework agreed at the last meeting.
- B24/68 The Board approved a proposal for the initiation of the new Finance and Resources Committee at an appropriate point during the Summer term, noting that this would likely require the completion of new governor appointments to enable all committees to be appropriately and robustly appointed to.
- B24/69 The Board considered its options with regards to the adoption of an appropriate code of governance from 1 August 2024, particularly considering the revised AoC led sector code and the charity code. It was agreed that the Board would consider a proposal from the new clerk to the governors as to which code would most effectively support governance effectiveness going forward at its meeting in July 2024.
- B24/70 The Board agreed to consider whether the scheduled meeting of the Board in May 2024 would be required at the end of the meeting.

- Resolved:**
- i That an appropriately prioritised action plan to address the recommendations arising from the external governance review, along with those areas for development already agreed as a result of the self-assessment of governance considered in December 2023, be presented for consideration/approval at the meeting in July 2024.**
 - ii That a draft summary of the external review of governance for publication in line with DfE guidance be presented for**

consideration/approval at the meeting of the Board in July 2024.

- iii **That with the agreed revision to para 4.2 the standing orders be approved.**
- iv **That the scheme of delegation be approved.**
- v **That the order of business for 2024/25 be approved.**
- vi **That the new Finance and Resources Committee be initiated at an appropriate point during the Summer term, subject to all committees being appropriately appointed to.**
- vii **That a proposal regarding which code of governance would most effectively support governance effectiveness be considered at the meeting in July 2024.**

POLICY AND CONTEXT UPDATE

B24/71 The Board received a verbal update setting out key developments in the context in which the College was operating, including:

- the DWP Universal Support Prospectus;
- proposed/reinvigorated development of a joint approach to the delivery of community/tailored learning in partnership with BMBC and Sheffield City Council;
- delays to the implementation of the lifelong learning entitlement;
- AoC policy documents.

Resolved: i That no amendment to the College's strategic plan was required as a result of any of the developments reported.

PERFORMANCE TO DATE 2023/24 (Document 3ii)

B24/72 The Board considered a progress report against the College's **key performance indicators** for 2023/24 and **student recruitment to date for 2023/24**, particularly noting that:

- March student recruitment had been disappointing and was below target;
- the additional Free Courses for Jobs (FCFJ) contract had now been signed.

B24/73 The Board particularly:

- explored the potential causes of under target student recruitment for the month, including static conversion rates, resourcing challenges, the impact of employers rescheduling delivery, and variable recruitment to new provision;
- noted that whilst AEB recruitment had been challenging in March, this had not been the case for the rest of the year to date;
- welcomed the plan to build up a bank of back-up sessional staff;
- noted that Community learning had underperformed across the year and welcomed the plan to operate a different delivery model for 2024/25 which it agreed would be critical;

- explored the learner journey from economically 'inactive' to in learning and how the College could further capture and extend its role in supporting that transition through Community Learning funding;
- welcomed the proposed improvements to the current online application process;
- agreed that whilst the position regarding recruitment for March was concerning, one below target month didn't necessarily mean the whole year would conclude under target, and the indications for April recruitment were positive, with both AEB and Community Learning expected to be on target, and excellent recruitment to a new family learning offer;
- agreed that nevertheless a clear focus on effective conversion and recruitment remained critical, and close scrutiny of performance must continue.

- B24/74 The Board considered **management accounts to 29 February 2024**, noting that:
- the forecast outturn was at £263k deficit, £1k worse than the reforecast 1 position, this the same as reported the previous month;
 - total income for the year was currently forecast at £14k higher than reforecast 1.
 - interest earned had increased by a further £20k;
 - total pay costs for the year were forecast to be £16k less than reforecast;
 - non pay actual costs were currently £45k lower than reforecast, but were forecasted to be £52k higher than the total reforecast amount at year-end;
 - year to date EBITDA was at £104k better than reforecast 1, with a £679k deficit at 29 February 2024 compared to year to date deficit in reforecast 1 of £796k;
 - the full year financial health forecast was for 200 points which was Good, however this would be moderated to Requires Improvement due to negative EBITDA;
 - financial risks and sensitivities remained the same in relation to recruitment, but the risk of inflation was now minimal.

- B24/75 The Board particularly:
- welcomed the very close tracking of AEB income and the planned further reforecast;
 - explored the financial impact of March's student recruitment, and impact of year end outturn;
 - noted the positive impact of April recruitment to date.

- B24/76 Overall, the Board agreed that the position remained challenging, recruitment for the remaining months of 2023/24 would be critical, and continued careful monitoring must be maintained.

Resolved: i That the continued focus on effective student recruitment remained critical.

STRATEGY AND PLANNING (Document 4i)

- B24/77 The Board considered an update against the College's **single recovery plan**, and:
- assessed progress made since the last meeting;

- particularly considered the impact of RO8 figures, slower than expected capital expenditure, and the planned work with a turnaround specialist funded by SYMCA to support future sustainability.

- B24/78 The Board explored the work of the proposed turnaround specialist and considered how this activity would report into the Board, agreeing that an update be included in the single recovery plan update at the Board's meeting in June 2024, with the work being specifically overseen by the Finance and Resources Committee going forward.
- B24/79 The Board considered progress against the College's **strategic delivery plan for 2023/24**, with a particular focus on areas that were rag rated as red or amber, and noted that good progress was being made overall and there was no significant change since the last report.
- B24/80 The Board explored progress against the actions in the **Quality Improvement Plan (QIP)**, noting that no actions were rag rated as red, and the College continued to progress the impact work commissioning some additional work from York Consulting to create data which would be statistically significant.
- B24/81 The Board considered and approved the **Higher-Level Skills Strategy** which had been scrutinised and was recommended for approval by the CQSE committee.
- B24/82 The Board considered a progress report on **Estates Capital Spend**, noting that spend had been slower than anticipated as a result of the impact of Grade 1 listing. To enable efficient progress of individual projects the Board delegated authority to the Principal/Accounting Officer to approve variations of project spend for individual projects.

- Resolved:**
- i **That whilst acknowledging that there was further work required, particularly for elements which were rag rated as red, the Board was satisfied with the progress reported against the strategic delivery plan, single improvement plan and the QIP.**
 - ii **That an update regarding the work of the SYMCA funded turnaround specialist be included in the single recovery plan update at the Board's meeting in June 2024.**
 - iii **That the Higher-Level-Skills Strategy be approved.**
 - iv **That authority to approve variations of project spend for individual capital projects within each of the 3 main areas, and approve variations between the 3 main areas up to the value of £100k, as long as the total overall project value does not exceed the approved budget and total grant funding of £2,074k be delegated to the Principal/Accounting Officer.**

RESIDENTIAL RATES (Document 4ii)

- B24/83 The Board noted the progress being made to agree a residential rate with the College's funders.

INDICATIVE ALLOCATION STATEMENTS 2024/25 (Document 4iii)

B24/84 The Board considered the indicative funding allocations for 2024/25 which the College had received from each of its funders and the likely financial impact. The Board explored its approach to budgeting above allocation and agreed that the College should budget cautiously, with a view to accessing in-year growth based on achieving effective performance.

- Resolved:**
- i That the College continue to work with funders to finalise the residential rate as this will have a significant impact on budget.**
 - ii That the College continue its curriculum planning process, taking into account the relevant factors and present the draft budget to the Board in June 2024.**
 - iii That the College budget cautiously with a view to accessing in-year growth.**

ACCOUNTABILITY STATEMENT/LOCAL NEEDS ASSESSMENT 2024/25 (Document 4iv)

B24/85 The Board considered and approved the College's Accountability statement, supporting the objectives included and welcoming the collaborative statement from the South Yorkshire Colleges.

- Resolved: i That the Accountability Statement be approved.**

CURRICULUM PLANNING UPDATE 2024/25

B24/86 The Board received a verbal update regarding curriculum planning for 2024/25, noting the fresh approach to Community Learning already explored earlier in the meeting, the strategy approved for higher-level skills and the drive to support those individuals who were economically 'inactive'.

- Resolved: i That the curriculum development work in progress be supported.**

RISK MANAGEMENT AND ASSURANCE - KEY STRATEGIC RISKS (Document 4vi)

B24/87 The Board considered the strategic risk register, and:

- recognised that the College's key strategic risks had been explored throughout the meeting, particularly in relation to performance and funding;
- considered the changes since the last review;
- supported the inclusion of a new risks relating to the documenting of new funding methodologies and the catering contract.

B24/88 The Board agreed that the register was an accurate reflection of the risks faced by the College and the mitigating actions and controls were appropriate.

- Resolved: i That the risk register was an accurate reflection of the risks faced by the College and the mitigating actions and controls were appropriate.**

POLICIES FOR APPROVAL (Document 5i)

B24/89 On the recommendation of the relevant committee the Board approved revised policies.

Resolved: i That the Compliments and Complaints and Business Continuity policies be approved.

FINANCIAL STATEMENTS AUDITOR - APPOINTMENT (Document 5ii)

B24/90 The Board considered the performance of the financial statements auditors in 2022/23, and the recommendation from the Audit Committee.

Resolved: i That it be recommended to the Company that RSM be appointed as the Corporations external Financial Statements Auditors for the financial year ended 31st July 2024.

FINANCIAL HANDBOOK 2024/25 (Document 5iii)

B24/91 The Board received and noted the new College Financial Handbook which was published on 20 March 2024 and would be effective from 1 August 2024, and noted the opportunity to attend a webinar for governors the details of which would be circulated by email.

TREASURY MANAGEMENT ANNUAL REPORT AND STRATEGY (Document 5iv)

B24/92 The Board considered its approach to treasury management and agreed that the current approach remained appropriate. The Board agreed that the College should explore what support Santander could offer the College under its corporate social responsibility strategy.

Resolved: i That the College explore what support Santander could offer under its corporate social responsibility strategy.

MINUTES FROM COMMITTEES (Document 5v)

B24/93 The Board received the minutes from the following meetings of its committees:

- CQSE Committee - 28 February 2024;
- Audit Committee - 25 March 2024.

CONFIDENTIAL MINUTES AND MATTERS ARISING (Documents 6i and 6ii)

B24/94 The confidential minutes of the meeting held on 20 March 2024 were approved as an accurate record.

B24/95 The Board reviewed the action tracker and noted that all actions were complete.

CONTINGENCY PLANNING

B24/96 The Board noted progress against its contingency plan.

STAFFING MATTERS

B24/97 The Board considered a recommendation from its appointment panel and approved appointment to the role of Clerk to the Governors/Company Secretary.

Resolved: i That subject to satisfactory completion of preemployment checks Kate Boulter be appointed to the role of Clerk to the Governors/Company Secretary.

DATES OF THE NEXT MEETINGS

B24/98 That the scheduled date for a May meeting of the Board (22 May 2024 - 1.00pm) be retained in diaries at this stage, with the expectation that subject to a review of April/May student recruitment a written update will be sufficient.

28 June 2024 - 1.00pm

17 July 2024 - 1.00pm