



Northern College

BOARD OF GOVERNORS

Minutes of the meeting held on 28 June 2024

Governors:

Mark Sanders (MS) (Chair)	Governor	PRESENT
Emma Beal (EB)	Principal (Governor ex officio)	PRESENT
Neil Copley (NC)	Governor	PRESENT
Ann Corrigan (AC)	Governor	PRESENT
Bob Craig (BC)	Governor	PRESENT
Colin Forrest (CF)	Governor	PRESENT
Sue Horner (SH)	Governor	PRESENT
Neil James (NJ)	Staff Governor (Residential & Administrative)	PRESENT
Ray Low (RL)	Governor	PRESENT
Seb Schmoller (SSc) (Vice Chair)	Governor	PRESENT
Matt Stephens (MS)	Governor	PRESENT
Tim Thornton (TT)	Governor	APOLOGIES

Observer:

Mike Firth (MF)	Department for Education	PRESENT
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In attendance:

Kate Boulter (KB)	Clerk to Governors	PRESENT
Diane Lawson (DL)	Vice Principal - Student Experience	PRESENT
Elin Longley (EL)	Head of Human Resources	APOLOGIES
Sue Saunders (SSa)	Deputy Principal / Chief Finance officer	PRESENT

MEETING ADMINISTRATION

B24/99

Apologies

Apologies from Tim Thornton and Elin Longley were received and **ACCEPTED**.

B24/100

Declarations of Interest

No interests were declared in relation to the items on the agenda.

B24/101

Minutes of the Last Meeting

The minutes of the meeting held on 24 April 2024 were **AGREED** as an accurate record.

B24/102

Matters Arising

The Board reviewed the action tracker and **AGREED** that all items were complete, or were not yet due and would roll forward.

CONTEXT AND PERFORMANCE 2023/24

B24/103 **Performance to Date 2023/24 (Document 2ii)**

The Board considered Performance to Date 2023/24 by reference to reports on:

- KPI Dashboard
- Student Recruitment
- Management Accounts to 30 April 2024 / Reforecast 2

The Board:

- noted that enrolment had increased by 230 since the last report and cash value was in line with forecast;
- heard that June figures were not available yet but looked to exceed target;
- welcomed the improved conversion rate of 59% compared with 45% last year, and improved attendance since the last report;
- was assured that pass rates figures, which appeared to be well below KPI, did not include results not yet processed and were expected to go up significantly.

The Board **APPROVED** Reforecast 2 and observed that:

- the Reforecast 2 outturn was £376K deficit which was £74K worse than the Reforecast 1 position;
- total income for the year was currently forecast at £280K lower than Reforecast 1;
- interest earned had increased by a further £30K;
- total pay costs for the year were forecast to be £84K less than Reforecast 1;
- non pay actual costs were currently £88K lower than Reforecast 1 and forecasted to be £84K lower than total reforecast at year end;
- year to date EBITDA was £65K better than Reforecast 1, with a £474K deficit at 30 April 2024 compared to year to date deficit in Reforecast 1 of £539K;
- 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;
- a provision of £568K clawback in 2024/25 was included in the cashflow which had increased due to a reduction in forecast AEB income this year;
- the year end cash position excluding capital grants was expected to be £1,537K, or £969K if clawback was excluded from the balance, which was £40K better than the original budget when clawback was excluded;
- there had been a two-year period of higher inflation than the forecasts were originally based on;
- while welcoming the year end position as marginally better than original budget, there remained an in-year deficit and reserves needed to be increased;
- performance May to June had been much better than April however there were areas of underachievement, the position remained challenging and careful monitoring would continue.

STRATEGY AND PLANNING

B24/104 **Single Recovery Plan (document 3i)**

The Board considered an update against the College's Single Recovery Plan and:

- noted that residential rates were still being discussed and this would be discussed in more detail later on the agenda (see Minute B24/106);

- a new risk had been added to the College Risk Register relating to structural issues identified as part of capital works in the Long Gallery (see Minute B24/107).

B24/105

Draft Financial Plan - 2024/25 (document 3ii)

The Board considered the draft Financial Plan 2024/25 which contained significant changes compared to previous years with the residential multiplier replaced with a nightly rate. The Board observed that:

- discussions with the three funders were ongoing;
- the DfE and WYCA were moving to a rate based on cost from 2024/25;
- SYMCA had proposed a different funding arrangement for 2024/25 with an element of transitional protection for that year only, and had not confirmed its funding arrangement for 2025/26;
- the 2025/26 model was based on the same rates as 2024/25 with 2.25% growth in income and costs but without any transitional protection;

The Board having explored the draft Plan and the changes to the residential funding rate (see Minute B24/106)

RESOLVED: That, while the Board was satisfied with the high level assumptions in the Plan, it required more certainty regarding the residential rates and requested discussions with funders continue before the final plan was presented for approval at the next meeting.

B24/106

Residential Funding Rate (document 3iii)

The Board considered a report which set out how the costs had been arrived at for the residential funding rates used in the 2024/25 budget. The Board:

- noted that the funding methodology proposed for SYMCA was different from that proposed for DfE and WYMCA;
- acknowledged the additional funding support from SYMCA for 2024/25 and whether this was a direction WYMCA would consider;
- observed that a cost-based methodology would require the College to constantly monitor and recalculate rates if the cost base changed, did not account for economies of scale or variable costs, and any reduction in the cost base would result in decreased income;
- while recognising the need to provide value for money and only include costs directly attributable to residential, the Board observed that the proposed rate of £265 represented a substantial decrease compared with the previous years' rate and there needed to be confidence that the agreed rate was financially sustainable;
- recognised the risk that provision could be harmed or growth stagnate if the College did not have freedom to manage its costs to achieve efficiency;
- noted the Board's preference for long-term (eg. three-year) funding arrangements to provide security in income planning and assumptions.

RESOLVED: The Board **NOTED** the report but was not in a position to agree the proposed residential funding rates for use in the 2024/25 Financial Plan and requested discussions with funders continue and a further update be provided at the next meeting.

B24/107

Risk Register (document 3iv)

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 new risks relating to the catering re-tender and structural work in the Long Gallery, and the removal of the risk relating to the resignation of the Clerk now that a new Clerk was in post.

RESOLVED: The Board **AGREED** that the register was an accurate reflection of the risks currently faced by the College and that the mitigating actions and controls were appropriate.

COMPLIANCE AND STATUTORY

B24/108 **FEC Stock Take Visit - Feedback**

The latest FEC Stock Take Visit had taken place on 18 June 2024 and a number of governors had met with the Commissioner: the Chair of Governors (MS), Chair of Audit Committee (AC), Chair of Curriculum Quality & Student Experience Committee (CF) and MS. The outcome letter, which had been circulated to governors, did not propose any changes to current arrangements and a further visit would take place in November 2024.

RESOLVED: That the feedback letter be **NOTED**.

B24/109 **ESFA Oversight Letter and Dashboard 2022-23**

The Board considered the outcome of the ESFA's review of the College's 2022/23 financial statements and financial health assessment, along with the College's performance against target benchmarks and benchmarks achieved in the sector as set out in the ESFA dashboard

RESOLVED: That the ESFA oversight letter and dashboard be **NOTED**.

B24/110 **Policies for Approval (documents 4iii)**

The Board reviewed the following policies taking into consideration any committee recommendations:

- Financial Regulations (recommended by Audit Committee 10 June 2024)
- Additional Learning Support (recommended by Curriculum Quality & Student Experience Committee 10 June 2024)
- Admissions (recommended by Curriculum Quality & Student Experience Committee 10 June 2024)
- Residential Admissions (recommended by Curriculum Quality & Student Experience Committee 10 June 2024)
- Sustainability Policy (new policy)

A further policy which had been omitted from the agenda had been circulated separately before the meeting and was also considered:

- Health, Safety & Welfare Policy (recommended by Audit Committee 10 June 2024)

RESOLVED: The Board (i) **APPROVED** the six policies listed above, and (ii) suggested that consideration be given to renaming the Sustainability Policy 'Environmental Sustainability Policy' to differentiate from financial sustainability.

B24/111 **Minutes from Committees (documents 4iv)**

The Board **RECEIVED** the minutes of the following committees:

- Audit Committee - 10 June 2024
- Curriculum Quality & Student Experience Committee - 10 June 2024

The Chair of Audit Committee (AC) reported that the Committee had considered the outcome of the tender process for appointment of an internal auditor and had recommended to the Board that Wylie Bisset be appointed for three years from 1 August 2024 with an option to extend by a further two years. This had been omitted from the Board agenda however a decision was required at this meeting to enable the contract to be awarded on 1 July 2024. The Board was satisfied from the minutes that the Audit Committee had given the matter thorough consideration and

RESOLVED: That Wylie Bisset be appointed internal auditor from 1 August 2024.

(Staff Member (DL) and Staff Governor (NJ) left before consideration of the following items)

CONFIDENTIAL

B24/112 **Contingency Planning Update (document 5i)**

This confidential item was minuted separately (Minute CB24/10).

B24/113 **Property Valuations (document 5ii)**

This confidential item was minuted separately (Minute CB24/11).

DATES OF THE NEXT MEETINGS

B24/114 The Board **NOTED** that the next meeting would be held on Wednesday 17 July 2024 at 1pm by Teams.

The meeting closed at 3.05pm