

Chair	Meena Chavda
Corporation Members	Vivien Bailey, Steve Hedges, Gerry McDonald, Gareth Wall, Sue Williams, Anne Canning, Gunner Burkhart, Mohammed Adnan Mahmud, Diana Murray, Marilyn Hawkins, Lutfey Siddiqi, Nikki Makinwa, Martin Rosner, John Houston
Officers	Deputy CEO: Roger Cottam Deputy CEO designate: Suri Araniyasundaran Principal Tower Hamlets: Alison Arnaud Principal Redbridge and Epping Forest College: Janet Smith Principal Hackney: Linnia Khemdoudi
Director of Governance	Fiona Chalk

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PRELIMINARY PROCEDURAL MATTERS	
1.	Chair's Welcome & Opening Remarks The Chair welcomed Governors.
2.	Apologies For Absence None. Becky Miah was absent.
3.	Declaration of Interests None received.
4.	Minutes of the Last Meeting Held on 1st November 2018 The minutes were signed as a true and accurate record.
5.	Matters Arising and Action Points from the Meeting Succession Plan for key and senior management to come to the Strategy meeting for discussion and then F&GP to make recommendations to the Board. Governors asked for a clear plan to be put in place.
6.	Chair's Actions & Written Resolutions It was noted that the Chair has taken Chairs Actions to approve signing of the OfS Annual Assurance Statement by the Group CEO on behalf of the Board. It was resolved that this matter be ratified by the Board.
STRATEGIC MATTERS	
7.	Group Principal and CEO report 16-18 Recruitment NCC's funded head count target for 16-18 year old learners for the group is 5482. This target was initially missed by 761 with actual funded headcount at 4721. Now confirmed at 721 after 42 days of attendance. This has no financial implications for this year but will lead to a funding reduction of circa £3.8m next academic year. In addition, the college failed to deliver growth of 126 places. The trends were noted for the past two years. It was noted that numbers are now relatively stable.

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	<p>Of the total shortfall, two thirds relate to Epping Forest campus where recruitment has been poor, and marketing spend pre-merger was insufficient and reputational damage from the previous Ofsted has had a negative impact. Governors asked if there are any geographical issues. Student make-up was noted as 60% local and 40% coming from outside the area. Management are building on quality of service with the priority now to ensure that costs are aligned to projected income for 2018/19, especially at the Epping Forest campus. £2.34m of savings have been found, with about £1.3m from staffing without any staff losses so far i.e. by not filling vacant posts. The voluntary redundancy offer is closing on Monday, which should bring some savings.</p> <p>Governors noted the ongoing issues at Hackney, with a lot of competition coming from schools, particularly at level 2. This was factored in at Tower Hamlets previously, but not at Hackney. The low numbers of enrolment are of concern. 345 of 1166 students are taught off-site, so without some clear strategic changes, it is not a viable provider on its own in its current form. Proposals for this will come to the governors' strategy day in January. There will be some focus on specialisms and provision of curriculum with a branded element which is attractive to young people, such as Open Kitchen, which is a commercial kitchen with clear line of sight to employment.</p> <p>Governors asked if Attlee Academy is taking students from elsewhere. Some have been taken from Hackney, but this is not the whole story for the decline in student numbers at Hackney.</p> <p>Governors asked what the impact will be on enrolment figures following merger with the Havering colleges. The Borough is mostly tertiary and recruits well. Only 5 of 18 schools have post-16 provision and this has been stable.</p> <p>Governors noted that the funding formula is based on in-year growth and lagged funding. NCC have moved away from in-year recruitment and tried to move all recruitment into September rather than have ongoing recruitment. This front loading did not produce the required numbers this year. Governors noted that planning assumptions were less accurate than they had been in previous years for 16-18 cohort, although acknowledged that it is always difficult to estimate student numbers in a highly competitive market. GCDs and Principals have provided extensive feedback on directorate level recruitment against target to better inform 2019-20 planning which will start in early 2019.</p> <p><u>Pay Award</u></p> <p>Members noted that the 2018/9 budget included provision for a 1% pay award. This award was made in November 2018, backdated to 1 August. In addition, and as a result of the positive operating surplus for 2017/8, a further payment of £250 per full time equivalent staff member was also made as an unconsolidated payment in December pay. This will cost £200k and has been taken out of the budget already. The AoC have specifically requested from the DfE, through appropriate channels, a one-off grant to support a higher pay award in line with that made to School teacher (3.5%) which has been damaging for colleges. This has been all but rejected by the Treasury as FE is a deregulated sector, despite the fact that exactly this approach was taken with school teachers pay. The final AoC offer on behalf of college employers is for 1% or £250 whichever is higher, and colleges should pay if they can afford to. This part of the award will be paid in January, backdated to 1 August.</p> <p>Governors noted that Capital College has awarded 5% pay increase. Pay differentials in London with staff makes recruitment difficult. To date, this is the only college to have made such a payment, with only a tiny handful of college offering a pay award above 1%.</p> <p>Pay reform across the NCC group has benefited staff, and harmonisation of pay across the</p>

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	<p>group over recent years has seen pay rises for almost all staff.</p> <p>Management advised that statutory Employer pension contribution rate increase will only be funded by DfE for only 1 year and the additional on cost is £1.4m, pre-Havering mergers. Pensions were noted as being career average, not final salary schemes.</p>
8.	<p>Performance Against Corporate KPIs Governors noted progress against the updated corporate goals.</p> <ul style="list-style-type: none"> • Management to develop some quantitative metrics to go alongside these KPIs, such as primary benchmarks. • Janet Smith will be the lead on Ofsted ready work. It was noted that Ofsted are looking at wellbeing, culture etc and there will be a strategy to manage this. • College wide system harmonisation is a massive piece of work in progress to consolidate what has taken place so far. Some metrics on capital spend will be added. • £296K deficit budget has had positive actions against it with in-year savings. • Stakeholder perception work is being progressed, with staff looking at impact and monitoring press releases. • Areas where NCC are becoming first choice are being recognised, such as digital work at Hackney. • Harmonisation of systems is progressing, although extremely resource intensive. Finance has been particularly challenging, but posts are being recruited to. The financial position is in a better place this year than last year, particularly in analysis of the balance sheet and current financial position, which will allow management to move forward on a secure base. • Less staff going through a capability action. • A fully costed property strategy will come to the Board.
9.	<p>Merger Proposal: Havering GFE and Havering Sixth Form College <u>Due Diligence</u> Governors noted key issues covered at HCFHE include analysis of the capital investment strategy, the tracking of adult funding and an analysis of the efficiency of the curriculum. At this stage, the emerging issues are well known to the NCC Board and are centred on Havering GFE. These include cashflow and property strategy costs. For HSFC, the work has highlighted the staff age profile is slightly higher than the sector average, and there is a comprehensive property condition survey, which will help to inform future property costs and investment. Reports on Due Diligence are going to the Havering Corporations this month and will come to NCC in January when resolutions are to be made, along with the rationale for merger. There will be further details to approve after this, at a later Corporation meeting in March. There is nothing in the reports that NCC are not already aware of. These have been targeted due diligence being undertaken by individuals rather than corporate organisations, in order to target the key areas of concern to NCC.</p> <p><u>Exceptional Financial support</u></p> <p>A business case for Exceptional Financial Support (EFS) amounting to £2.250 million was submitted to the ESFA Funding Committee on 11/12/18. This was predicated on providing bridging support to HCFHE during the period prior to the planned merger date (which is</p>

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	<p>now 1st April 2019 but was previously targeted for January 2019). As a further cash flow risk mitigation measure, the bank has been approached by HCFHE with a view to providing a short-term overdraft facility of £1 million to cover the December 2018 to January 2019 period prior to the first EFS payment to the college from the ESFA (with any overdraft utilised to be repaid following the first EFS receipt).</p> <p>Governors noted:</p> <ul style="list-style-type: none"> • NCC will not be taking the financial risk on this, so will not be providing funding to the Havering GFE. • Financial charges for the loans will come down post merger as Havering have breached their covenants. • Governors questioned why NCC is merging with a college in such financial difficulty. It was noted that there is a net profit with both Havering colleges. The college has a stable 16-18 base to generate income but has suffered recently with poor financial management and an ill-informed property strategy. • There are a lot of easy wins around the finances. • Both colleges are grade 2 quality colleges, and student outcomes are the most important part of this process. • The merger is not currently legally binding and will not be until 31st March 2019. <p><u>Consultation Exercise</u></p> <p>Public consultation on the proposed merger of New City College, Havering College of Further & Higher Education and Havering Sixth Form College commenced on 1 December 2018 and will run until 14 January 2019. Consultation outcomes will be collated and published by the end of January in time for meetings of the Corporations. If dissolution of the Havering Corporations is approved, a formal notice of merger will be published on 28 February 2019, which will enable merger on 1 April 2019. There have been a couple of comments, one a supportive comment from a local school and the other a parent query.</p> <p><u>New Governance Structure</u></p> <p>The new Havering Local Board is a committee constituted under Article 4 of the Instrument & Articles of Government. Its members will not be governors (with the exception of 3 members who will join the NCC Board), and therefore these members have no statutory rights or responsibilities – such statutory rights and responsibilities remain entirely with the NCC Group Board of Governors. All matters delegated to the Local Board cannot be delegated to any other group of persons.</p> <p>The following points were discussed:</p> <ul style="list-style-type: none"> • EFC were promised prior to merger, a local board and that this local board would be involved in consultation on issues pertaining to the local area to help decision making processes and looking at how it can raise the reputation of the college amongst local stakeholders and ensure there is a local curriculum fit. It was agreed that the EFC Board will honour its pledges made to EFC in regard to a local stakeholder group. • The Director of Governance advised that she has consulted widely with other college groups on best practice and taken legal advice from Eversheds solicitors on legal aspects of the proposals. Within the sector, there is little evidence of successful structures, and local boards seem to evolve over time in order to find a working solution. This is innovative work and there is no industry guidance on what local boards should look like. • Governors expressed their discomfort with the proposed structure as there is little precedent on the success of such in the sector, and to date the college has been well governed without local boards. • A key focus of local boards should be the working with local stakeholders to serve their needs, rather than duplicating the work of the NCC Board.

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	<ul style="list-style-type: none"> • Who controls what needs to be clearly defined and what suits one part of the group, may not suit another. • Local Boards should be advisory groups that are externally focused. • Should a governor from the NCC Board sit on the Local Board to ensure oversight and 2-way communication. Management may play a key part in this role. • The hub concept was laid out in the college's strategy early on in the group's evolution. • The Havering colleges are a valued addition to the Board for financial reasons and curriculum fit. The 16-18 focus is a very valuable addition to the group. Other partners have joined from a poor financial and quality position, whereas the 6th form college is successful in both aspects, so its not surprising they want to keep some control and the NCC Board is prepared to acknowledge this through giving some delegated authority to a Local Board. Autonomy to reflect local flavour is a desired position, and delegated authority is a consideration where there is a proven history of successful outcomes. <p>Governors asked for a further discussion on the group's governance structure, to come to the strategy day.</p> <p><u>Revised NCC Governance Legal Framework</u> In order to facilitate this new governance structure, the MWP has recommended to each college Corporation, the approval of a Local Board Terms of Reference and Scheme of Delegation.</p> <p>The NCC Corporation's Instrument and Articles will be amended to accommodate this new structure, including:</p> <ol style="list-style-type: none"> 1. a new category of membership under 'Composition of the Board', <i>Up to three members of the Local Board nominated by the Local Board and agreed by the Corporation.</i> 2. Under 'the establishment of committees and delegation of functions generally', 4A. <i>The Local Board</i> <ol style="list-style-type: none"> (1) <i>The Corporation shall establish a local college board, as a permanent committee of the Corporation, to oversee operations at the Havering College of Further Education and Havering Sixth Form College sites (the "Local Board") in accordance with the scheme of delegation and Local Board terms of reference attached at Appendix 1.</i> (2) <i>Amendments to each of the scheme of delegation and Local Board terms of reference must be agreed by at least two thirds of the members of the Corporation.</i> (3) <i>The Local Board shall be entitled to appoint representatives to the Corporation as set out in Instrument 2.1 above.</i> <p>In addition, changes proposed to the Standing Orders and appended policies include:</p> <ol style="list-style-type: none"> (1) <i>an increase in the designated number of governors to allow for the incorporation of 3 Havering governors to sit on the NCC Group Board</i> (2) <i>an addition of category of governor to include Local Board governors</i>

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	<p><i>(3) a provision that should the vacancies allocated to the Havering Local Board members not be taken up on the NCC Board, the ability of the NCC Corporation to fill these vacancies on a temporary basis, until such a time as the Local Board can fill such.</i></p> <p><i>(4) appointments to the NCC Board to fill the 3 designated Local Board vacancies, will be on the recommendation of the Local Board.</i></p> <p>The Corporation hereby RESOLVED that it approve:</p> <p>(1) The Local Board Terms of Reference (2) The Local Board Scheme of Delegation (3) NCC’s Instrument & Articles (4) NCC’s Standing Orders and appended policies</p> <p>to take effect from the proposed merger date of 1.4.2019, subject to a review at the January strategy day.</p>
10.	<p>Search Committee recommendations <u>Appointment of Independent Governors and Staff Governor</u> It was resolved that, on the recommendation of the Search Committee, the following appointments be made:</p> <ul style="list-style-type: none"> • the appointment of Russell Hasnat as a Teaching Staff Governor and a member of the CQ&S committee. • the appointment of Cynthia Griffin as an Independent Governor • the appointment of Neil Yeomans as an Independent Governor, and a full member of the Audit committee. • the extension of Gunner Burkhart’s Term of Office from 31st December until the end of this academic year. (GB stood outside the room for this discussion) • MC will stay on the Board until 1st April for transition of Chair. <p><u>Appointment of Chair</u> Following an update from the Chair of Search Committee on the interview process for appointment of a Chair and the resultant interviews that took place on 10th December, it was RESOLVED that Rob Hull be appointed as Chair of Governors from 1st April 2019, and Chair Designate from 1st January 2019.</p>
11.	<p>Property Committee recommendations There were no recommendations coming to the Board, but the Board noted an update on matters, see confidential minutes.</p>
PERFORMANCE	
12.	<p>Audit Committee Recommendations</p> <p>The committee Chair advised that the internal audit report from the Auditors was noted by the Audit Committee.</p> <p><u>Letter of Representation EFC</u></p>

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	<p>Following review by the Audit Committee, the external auditor's management letter, regularity audit report and proposed letter of representation for the year-ended 31 July 2018 were presented. It was confirmed that the auditors had indicated that the audit opinion would be unqualified.</p> <p><u>Audit Committee Annual Report EFC</u> It was noted that a report was not written by EFC's Audit committee before the corporation was dissolved, but the evidence available in terms of the annual report from the internal auditors and the management letter from the external auditors, as well as the fact that the college was subject to detailed scrutiny by the FE Commissioner and the ESFA during the year ended 31 July 2018, provide sufficient evidence about the system of governance and internal control for the NCC Audit Committee to confirm to the NCC Corporation that the College has an adequate and effective framework for governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the institution and safeguarding of its assets.</p> <p>On the recommendation of the Audit Committee, it was RESOLVED to:</p> <p>APPROVE the Epping Forest College's External Auditor's Regularity Audit Report, the Auditor's Letter of Representation and the Auditor's Management Report for the year-end 31 July 2018.</p> <p><u>Letter of Representation NCC</u> Following review by the Audit Committee, the external auditor's management letter, regularity audit report and proposed letter of representation for the year-ended 31 July 2018 were presented. It was confirmed that the auditors had indicated that the audit opinion would be unqualified.</p> <p><u>Audit Committee Annual Report NCC</u> It was noted that the Report presented an overview of the business conducted during the year, the overall assurance and opinion statements from the Internal and External Auditors and the review of the College risk management arrangements. The Board noted that the Audit Committee have advised the Corporation and Principal/Accounting Officer that it is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the institution and safeguarding of its assets.</p> <p>On the recommendation of the Audit Committee, it was RESOLVED to:</p> <ul style="list-style-type: none"> • APPROVE New City College's External Auditor's Regularity Audit Report, the Auditor's Letter of Representation and the Auditor's Management Report for the year-end 31 July 2018 • APPROVE the NCC Audit Committee Annual Report 2017/18 <p><u>Annual Risk Management Report</u> The report was noted.</p> <p><u>Internal Audit plan for 18-19</u> The work undertaken so far by the new IA's Scrutton Bland was noted. Governors asked what process is undertaken to ensure that the right areas are being audited. The Audit plan is derived from IA experience of colleges, the college's risk register and outstanding issues from previous audits. As risks evolve and change, it the IA plan is reviewed on an ongoing basis. The Board noted that it was agreed at Committee that extra days be added as contingency and these be built into the process.</p> <p>The visibility of Whistleblowing policy was raised by governors and it was suggested it become part of the induction process.</p>

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	<p>Business continuity policy was discussed as a work in progress and will be continually reviewed in the light of the mergers. Management will continue to look at the college's physical estate, IT and people. Resilience in these areas across the group is being built upon.</p>
<p>13.</p>	<p>F&GP Committee Recommendations</p> <p>Financial Statements</p> <p><u>EFC</u></p> <p>The EFC out-turn is a deficit of £2,591k, compared to the deficit of £2,524k projected towards the end of 2017/18 in meetings with the FEC and ESFA, prior to merger. On the recommendation of the F&GP Committee, it was RESOLVED to:</p> <ul style="list-style-type: none"> ▪ APPROVE the Financial Statement for the year-ended 31 July 2018 for Epping Forest College <p><u>NCC</u></p> <p>An out-turn operating surplus of £417k against projected deficit of £146k, before the exceptional profit on disposal of George Green Building, which is some £667k better than budget. On the recommendation of the F&GP Committee, it was RESOLVED to:</p> <ul style="list-style-type: none"> ▪ APPROVE the Financial Statement for the year-ended 31 July 2018 for NCC. <p>On the recommendation of the F&GP Committee, it was RESOLVED to approve:</p> <ul style="list-style-type: none"> • Anti-Fraud/Bribery Policy • Treasury Management Policy <p>The Annual H&S report was noted, and that H&S across the group is being harmonised and streamlined.</p> <p>The KPIs and ESFA data dashboard were noted.</p> <p>Governors noted that an update of the EFC valuation has changed valuation figures in the Epping Accounts and the net assets in NCC Accounts, but not the overall out-turn figures.</p>
<p>14.</p>	<p>CQ&S Committee Recommendations</p> <p>The Chair updated the Board with committee's activities, including the Annual Safeguarding report and the issues governors requested further detail on – a historic issue which management advised they are satisfied that this matter is suitably resolved. Sub-contracting out-turn report was scrutinised in detail and reassurance was given regarding the Jewish provision to enable the college to work with these sub-contractors. Governors visits have taken place to enable them to get to know the college, and other governors should now take this opportunity – expressions of interest should be made to the Director of Governance. It was suggested that governors visit EFC to give support and encouragement.</p> <p><u>Self-Assessment Report 2017-18 & QIP 2018-19</u></p> <p>The grades proposed overall and by curriculum area, the report commentary, key strengths and the areas for improvement forming the basis for the QIP for 2018/19 were noted.</p> <p>The Chair summarised the committee's discussions and governors noted:</p> <ul style="list-style-type: none"> • An evaluation of Ofsted Grade 2 across the group • Achievement is not consistent, and this was discussed at length, and SMT are confident that progress is already taking place this term • Outcomes for learners contained several grade 4 areas, but the number of qualifications in these areas is low, so the impact on the group overall is small. The

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	<p>ongoing improvement needs to be maintained and impact shown to maintain this next year.</p> <ul style="list-style-type: none"> Weaknesses in Apprenticeship provision is being addressed and monitored – the Partnership Director for sub-contractors and partnerships who has taken control of this area, has overseen the embedding of the apprenticeships into the curriculum areas rather than sitting outside of them. There is much tighter scrutiny such as unannounced visits and regular meetings. Over the last 18 months, anyone out of time has been processed. Current apprenticeships are still in time and the timeliness is being monitored. <p>It was RESOLVED to:</p> <ul style="list-style-type: none"> APPROVE the 2017/18 SAR for NCC Group. <p>SAR for EFC was graded at 3 prior to merger, now self-assessed as a grade 4. This is primarily due to the fact that the predicted progress stated at the time of the last Ofsted inspection, did not take place or was not sustained.</p> <p>Targets in the QIP were noted.</p> <p><u>Curriculum KPIs 2018-19</u></p> <p>Governors questioned the ambitious targets, i.e. why the KPI for Attendance is 90% when the group achieved 80% last year, and what actions are being taken to achieve this? It was noted that quite a lot of work has already taken place with current examples of progress being shown at the committee. The college is about raising aspirations. THC is on 90% currently and the work undertaken last year is already having an impact, with a 17-18% increase in some areas on attendance. Epping is line with NCC which is about 12% better than this time last year.</p> <p>The KPIs were noted and on recommendation of the CQ&S Committee, it was RESOLVED to:</p> <ul style="list-style-type: none"> APPROVE the Curriculum KPIs 2018-19 <p>The Board noted that CQ&S committee are discussing and measuring their impact as a committee against Ofsted themes, and this may be a useful exercise for other committees to take up.</p>
GOVERNANCE & COMPLIANCE	
15.	<p>Director of Governance Report</p> <p>Governors noted the progress on increased compliance with the College Code of Governance; progress against Governance KPIs and a review Board’s contribution towards Leadership & Management outcomes under the Ofsted Framework. Through this work, the Board’s aim is to take governance beyond compliance and focus on strategy and impact. The Board noted it had undertaken a considerable amount of work last year to raise the level of compliance, and early progress is being made in the focus on strategy and impact.</p>
CONFIDENTIAL ITEMS	
16.	<p>Confidential minutes of the last meeting held on 1 November 2018</p> <p>See confidential minute</p>

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CORPORATION MEETINGS 2018-19	
17.	<p>Meetings for 2018-19 31.1.19 26.3.19 25.4.19 11.7.19</p> <p>AOB:</p> <p>The CEO thanked Linnia Khemdoudi for all her work, challenge and exceptional leadership, in particular the work she has done at Redbridge and Hackney. The Board reiterated this and how her work has made the job of the Board easier. Governors wished her well and made their thanks known.</p> <p>It was noted as Roger Cottam’s last Board meeting as Deputy CEO and that his is changing role on 1st January to having oversight of Property Development & the completion of the Havering merger. It was acknowledged that Roger’s assuredness, dependability and professionalism, have been fundamental in the successful growth of NCC and it would not be where it is without him. The Board stated that they have been very reliant on Roger’s safe pair of hands and thanked him for all his hard work.</p>
MEETING EVALUATIONS	
18.	<p>Meeting Evaluation Form To be completed by all members.</p>

Signed.....

Dated.....