

MINUTES OF THE CORPORATION BOARD MEETING HELD ON MONDAY 12 DECEMBER 2022

Present:

Governors:

Antony Ball	Preetha Kumar
Angela Briggs (Chair)	John Rees (CEO)
Ruth Brook	Paul Scanlon
Greg Clarke	Mark Swales
Dan Fell	Lee Tillman
Peter Grant (6.10pm onwards)	Lee Walker
Karen Jackson	Andrea Ward (6.00pm onwards)
Emma Kirk	

The quorum for the meeting was nine members. The meeting was quorate.

In attendance:

Sharon Harmon	Clerk to the Corporation (via Teams)
Barrie Shipley	Chief Finance Officer
Rachel Maguire	Chief People Officer
Sharon Smith	Principal / Deputy CEO
Jason Wilkinson	Chief Information Officer
Ryan Falls	CavanaghKelly (for Item 6)

The meeting took place on MS Teams and started at 5.30 pm.

Item	Minutes	Action	Date Due
1	Apologies Apologies for absence were received from Joe Bradley, Student Governor (HE), and Dolly Agoro, Governor.		
2	Declarations of Interest Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion. There were no declarations of interest made.		
3	Minutes and Confidential Minutes of the Corporation Board meetings held on 18 October 2022 and any matters arising The minutes of the Corporation Board meeting held on 18 October 2022 were agreed as a true and accurate record to be signed by the Chair. Matters Arising Item 4 - The Principal/DCEO updated on the position with the Task and Finish group in relation to developing the Higher Education offer at Doncaster.		

Confidential Minutes

The confidential minutes were agreed as a true and accurate record and to be signed by the Chair.

4 Feedback from Committee Meetings

Members received feedback reports from the Chairs of the Curriculum, Quality and Performance committee, the HE Performance and Quality committee and the People and Transformation committee.

Members noted the following points in relation to the CQP Committee meeting on 9th November 2022

- Update on the position with apprenticeship achievement rates
- Update on curriculum development and meeting local needs
- DNCG catering students served King Charles III and Camilla, the Queen Consort on their visit to Doncaster on Wednesday 9th November. DNCG floristry students provided floral displays for the visit.

Members noted the following points in relation to the HEPQ Committee meeting on 21st November 2022

- Update on the OfS Audit
- Update on the Teaching Excellence Framework (TEF) submission
- HE Enrolment numbers below target

Members noted the following points in relation to the People and Transformation Committee meeting on 23rd November 2022.

- Ongoing challenges in staff recruitment and retention in some teaching areas.

5 CEO Update

Members received a report from the CEO providing a headline update on current whole College matters, including a specific focus on the recent reclassification of colleges by the ONS. The CEO highlighted points of note and updates to the written report.

Alignment of Pay Terms and Conditions Project

The CEO provided an update on the Alignment of Pay Terms and Conditions Project and reported that the number of appeals received totals around 180 and that these are being progressed through a two-stage process (desktop review and appeal hearing) as previously advised. Most of these appeals are progressing to the second stage and due to the volume, the appeals process is likely now to be concluded in early 2023. The CPO confirmed that appeal hearing panels are scheduled for early 2023 and staff will be invited to those panels at the start of the new year.

Members asked if there were any common themes within the appeals. The CFO reported that the most common reason for appeals was around grading.

Members asked how the college was managing risk around the appeals process in terms of impact of future financial forecasting. The CFO confirmed provisions have been made within financial forecasts and the cost improvement plan for the alignment process including appeals.

The CEO provided an update on the progress with the cost improvement plan. The CEO reported that all staff whose roles are potentially at risk were advised directly during a series of planned meetings with management and supported by HR colleagues. This was followed by an all-staff webinar, where the whole staff body were advised of the programme, its scope and the reasons why this course of action is necessary. Members of the Executive team have continued to meet with individual staff members with questions and with the recognised trade unions.

Members noted the scale of work involved in managing the two large staffing projects simultaneously and asked how staff are coping in terms of time and resources. The CEO commented on the hard work of the senior leadership team and the People Services team in managing the process and confirmed that a well thought out plan and timetable was in place and that all deadlines are being met. The CFO reported that the Department of Work and Pensions have been notified of the process via a HR1 form and they are happy with the processes and the supports that have been put in place for staff.

The CEO provided members with an overview of some recent student and staff achievements. Members were reminded that they could follow DNCG on its various social media channels, where multiple daily posts provide a comprehensive view of the student experience.

The CEO updated members on developments in local and regional skills planning reporting on the Lincolnshire LSIP and the South Yorkshire Mayoral Combined Authority (SYMCA) Skills Strategy and Implementation Plan. The CEO further explained the implications for College strategic planning and delivery.

The CEO advised members of a potential Shell Partnership. The CEO reported that the College, along with a group of around 13 others, had recently been approached by Shell to consider joining a Shell UK Colleges Partnership. The College has been advised that the partnership aims to develop a network of colleges across the United Kingdom, supported by Shell, to support the development of skills and jobs for energy transition.

Members agreed the College should pursue the opportunity with Shell and find out more. The CEO confirmed that the College had submitted an expression of interest document.

ONS Reclassification Decision

The CEO provided members with a briefing on the ONS reclassification of all FE Colleges into public sector. The CEO explained that the Office for National Statistics has published its decision on the classification of colleges in the UK National Accounts and its verdict is that all college corporations and designated institutions in England as well as their subsidiaries should be reclassified to the public sector side of the UK national accounts. The CEO advised members that he and the CFO had attended a series of Department for Education (DfE) and Association of Colleges (AoC) briefing sessions.

The CEO further explained that the reclassification will have substantial implications for the way in which colleges are governed, financed, and operate. The CEO expanded with the example of the introduction of new controls on borrowing, other financial controls and DfE payments. The CEO advised that there will be no changes to legislation the changes will be implemented via a new funding agreement. There are still several questions to be

answered around funding. The College is still waiting for a response from the DfE on these questions.

Members further noted the following points:

- ESFA will be publishing a series of bite-sized guides on key areas, including, special payments and losses / write-offs and senior pay
- ESFA will be developing a College Financial Handbook in collaboration with the sector. This will be published in March 2024, with an effective date of August 2024
- Subsidiary companies apparently not required to offer public sector pensions (LGPS) as a result of this change
- Unclear at this stage what implications are for gift aid of profits from subsidiaries
- It is not yet known whether the change constitute a 'reportable event' to OfS

The CEO advised that the College may need to take some strategically significant decisions quickly, though it is expected to take several months before the full implications are clear. The CEO highlighted the Strategic Plan Implications.

Members reflected on the reclassification and the implications for the College and agreed that further clarity and guidance is required before the full implications are known. The College will continue to monitor developments and keep the Board updated.

The Board thanked the CEO for the comprehensive and detailed report.

6 Draft Financial Statements and Regularity Assurance Report 2021/22:

The CFO presented the Financial Statements and Regularity Assurance Report 2021/22. The CFO advised that two areas have been identified as areas for improvement in terms of weaknesses of internal control, the internal audit RSM function highlighted one area of weakness that controls could be improved further around apprenticeship funding this has been disclosed in the statement of internal control as an area for improvement. Secondly, the OfS audit provided limited assurance around funding and data returns to the OfS. However, there is no irregularity or any findings coming out of either, they are areas for improvement in terms of controls.

The CFO drew members attention to the Regularity Self-Assessment Questionnaire. Members noted the contents of the questionnaire. The CFO informed members that this is a requirement of the audit code of practice and that it is reviewed by CavanaghKelly in deriving their opinion on regularity and informs their opinion that is reported to the ESFA.

The CFO further reported that the group financial statements as well as the subsidiaries have been reviewed and recommended for approval by the Audit & Risk and the Finance & Resource Committees and the subsidiaries have been reviewed and approved by the independent Subsidiary Boards. The CFO advised there are a couple of changes subsequent to review at those meetings.

The first update relates to the ONS reclassification decision, in terms of reporting, this has been included as a post balance sheet event to acknowledge the ONS reclassification decision and to note at this point in time, there is no material change to the going concern judgment.

The second update relates to ongoing PwC ESFA funding audit. An additional disclosure relating to contingent liability has been included to advise that these audits are on are ongoing, but at this point in time, there is nothing to bring to the auditors' attention in terms of the material impact on the financial statements and no value that could attached to any potential clawback in the future.

The CFO presented the letters of representation for the Group and advised the Board on the contents. The CFO advised Members that the Letters of Representation had been approved by each of the subsidiaries. There is no impropriety and no significant deficiencies in the internal controls. The Board noted the contents of the letters and agreed with the going concern of judgment and that there are fraud or irregularities to bring to the auditor's attention.

Ryan Falls of external auditors, CavanaghKelly, joined the meeting to present the audit findings report. He noted that the report summarises the key matters from the CavanaghKelly audit of DN Colleges Group and its subsidiary financial statements for the year ended 31 July 2022. The report sets out the audit findings in terms of key risks to the financial statements in the auditor's opinion. CavanaghKelly will issue unqualified audit opinion on all entities in the Group.

The Board noted the contents of the report and thanked the CFO and Ryan Falls (CavanaghKelly). There were no further questions or comments.

Resolution: The Board approved the Financial Statements and Regularity Assurance Report 2021/22, the Group's Letters of Representation and the Audit Findings Report.

Ryan Falls (CavanaghKelly) left the meeting.

7 Performance Update

Members received a report from the Principal/DCEO providing an outline of the final achievement rates for 2021/22, and an update on in-year retention, attendance and enrolments to date for 2022/23. Members noted that detailed reports had been considered at the Curriculum, Quality & Performance Committee, the HE Performance and Quality committee, and the Finance & Resources committee meetings.

Members asked whether, now the final achievements rates for 2021/22 are known, would these have made any difference to an Ofsted 'Good' grade. The Principal/DCEO advised that due to the impact of Covid, Ofsted were not taking into account 2021/22 achievements. However, it was noted that had the judgement looked at 2021/22 achievements and noted the drop to 53% for apprenticeships this can be explained as very much the legacy from the impact of Covid. The Principal/DCEO further advised that the predictions for retention and achievement for this year are much more positive. In context, the national achievement rates reported last year for apprenticeships was 54%. It was further noted the College have more standards than frameworks compared to other colleges. The achievement rate of standards is lower than that because of that end point assessment expectation.

Members noted the contents of the report and thanked the Principal/DCEO for the update.

8 **Regularity Self-Assessment Questionnaire**

The Regularity Self-Assessment Questionnaire was covered under item 6.

9 **Audit & Risk Committee Annual Report**

The Board received the Audit & Risk Committee Annual Report for 2021-22 for approval. The CFO explained that the Annual Report of the Audit & Risk Committee was a requirement of the ESFA and was in the Post-16 Audit Code of Practice to provide to the Corporation Board. The Board noted the Committee's key activities in 2021-22 and the assurance within the report in relation to the monitoring of risk and systems of control at the College.

Resolution: The Board approved Audit & Risk Committee Annual Report for 2021-22.

10 **DNCG Final Self-Assessment Report 2021/22**

The Principal/DCEO presented the DNCG Final Self-Assessment Report 2021/22 for Board approval. The Principal/DCEO provided an overview of the self-assessment process and thanked governors for their attendance at the governance self-assessment panels. The Principal/DCEO reported that following the rigorous self-assessment process and detailed consideration of the grades that the overall self-assessed grade is 'Good' which is in line with the Ofsted grading.

The Principal/DCEO noted that it has been agreed to conduct an internal review or deep dive in the next term to look at some of those areas for improvement that Ofsted highlighted to see if the actions that have been put in place are having an impact. The Principal/DCEO further noted that moving forward the self-assessment would align to the new skills measure in the Ofsted framework.

Governors who attended the panels expressed their further assurance of the robust and rigorous process of review.

Resolution: The Board approved the DNCG Self-Assessment Report 2021/22 and the grades that are recommended within the report.

11 **Documents for approval**

Freedom of Speech and External Speakers Policy

The CPO presented the Freedom of Speech and External Speakers Policy to the Board for approval. Members noted the policy had been reviewed and recommended for approval by the People and Transformation Committee. Members confirmed they had reviewed the policy. Members had no questions on the policy.

Resolution: The Board approved the Freedom of Speech and External Speakers Policy.

Modern Slavery Statement

The CPO presented the Modern Slavery & Human Trafficking Statement 2022 to the Board for approval. The CPO advised that the statement has been reviewed and re-written after researching latest government guidance, similar and different organisations' Modern Slavery statements. Members noted the statement had

been reviewed and recommended for approval by the People and Transformation Committee. Members further noted that People and Transformation Committee also recommended that it would be valuable to audit this area in the future and agreed to take it to the Audit and Risk Committee for consideration.

Resolution: The Board approved the Modern Slavery & Human Trafficking Statement 2022 for external publication.

Gender Pay Gap Report

The CPO presented the DN Colleges Group & Optime Support Limited Gender Pay Gap Report 2022 for approval. Members noted the report had been reviewed and recommended for approval by the People and Transformation Committee. Members noted the contents of the report. Members commended the CPO and colleagues on the quality of the report.

Resolution: The Board approved the DN Colleges Group & Optime Support Limited Gender Pay Gap Report 2022.

12 Aligning Pay Terms & Conditions Update

The CPO presented an update report outlining the final position of the Aligning Pay Terms & Conditions project, detailing the outcomes, the new pay framework and the staff financial benefits as they assimilate to the new framework. The CPO shared with members a set of staff data tables showing the new grade structure framework, new average salaries by gender and percentage pay increases.

At the request of members, the CPO explained the various roles that fall under the 'technician' sub family. The CPO also explained how annual increments will be applied going forward.

Members noted the contents of the report and thanked the CPO for the detailed update.

13 Educational Visits Update

The CPO presented the Review of Processes and Procedures for Educational Visits for all Students and Staff report. The CPO advised that the review process ensured that the College have policies and procedures in place that test the curriculum link, financial viability and most importantly support the health and safety of all attendees with a particular emphasis on safeguarding all.

The CPO explained that the Chair of the Corporation Board and the Chair of People & Transformation Committee and the Link Governor for Safeguarding, were presented with the review and all associated documents and were able to feed into the process with advice to the CPO on further improvements.

The CPO further assured members that the review working group would convene annually to discuss application of procedures or immediately if there are any concerns are raised regarding incidents. In addition, the Link Governor for Safeguarding should seek assurance annually as to the progress of all reviews and be informed if there are any proposed changes due to incidents that raise concern.

The Chair of the Corporation Board and the Link Governor for Safeguarding agreed that the review and process was rigorous and robust and that members can be assured that the policy is highly comprehensive. Members noted the contents of the report.

14 Any Other Business

The Board received the People Services Annual Report for information.

15 Date and Time of Next Meeting

The Corporation Board Strategic Planning meeting is scheduled for Wednesday 1 March 2023, 5.30 pm at Doncaster College.

The meeting closed at 7.35 pm.

Sharon Harmon
Clerk to the Corporation

Signed: (Chair) Date:

TABLE OF ACTIONS				
Date	Minute	Action	Responsibility	Date Due