



***Minutes of the Norland Board of Directors Meeting
held on Friday 6th December 2019, 10.30am-1pm.
at Norland College, York Place***

Present Martin Clarke, Chair
Michael Bray, Director
Kate Dicker, Director
Roberta Edwards, Director
Rosemary Heald, Director
Peter Hymans, Director
Lucy Lovatt, Director
Alastair Page, Director
David Timms, Director
Tracey Worth, Director
Janet Rose, Principal

In attendance:

Elizabeth Harvey, Staff Representative
Eleanor Rose, Student Representative
Alex Read, Chief Financial Officer
Olivia Goulden, Governance Manager

BOA061219.1 Apologies

Apologies were received from Kriss Turner, Christopher Jerram and Mandy Donaldson.

BOA061219.2 Chairman's Communications

It was NOTED that the Chair had received contact details for a potential new Director, Julie Davies, and would be getting in touch with her shortly.

Action MC

The Chair reported that there had been a successful meeting of the Norland Foundation Trustees in early November and that an agreement had been made to accept the transfer of investments from Norland College Ltd. In addition Charles Stanley had advised the Trustees on a suitable mandate. This would be slightly different to that of the College's. Advice had been taken in terms of the reorganisation of the portfolio, and this had been AGREED.

The Trustees had also AGREED to ring fence £1.5 million in respect of the Student Protection Plan. This would be held in low risk investments which could be easily realized.

Janet Rose reported that the College solicitors, Veale Wasbrough Vizards (VWV) had been instructed to draft a Deed of Undertaking which would enable the OFS to enforce financial obligations against the Foundation in terms of the Student Protection Plan. It was NOTED this had been read thoroughly and cross-referenced with OfS regulatory briefings.

A final draft would be submitted to the Norland Foundation and Norland College Boards once minor changes had been made by the Executive. **Action JR/MD/AR**

BOA061219.3 New Declarations of interest

There were no new declarations of interest.

BOA061219.4 Minutes of previous meeting held on 23rd October 2019

The minutes were confirmed as a true and accurate record of the meeting.

BOA061219.5 Matters Arising/Action Status Report

An update on the Oldfield Park lease transfer was provided.

[REDACTED: confidential and sensitive information]

It was AGREED that at the current time no further steps should be taken to action the transfer of the Oldfield Park asset and associated lease.

[REDACTED: confidential and sensitive information]

It was NOTED that contact had been made with Halpin and Advance HE in terms of an external review of Board effectiveness.

The Executive proposed that the away half-day should concentrate on income generation.

BOA061219.6 Risk Register

Alex Reed spoke to his paper and highlighted the following risks which were rated 12 and above:

1 - Inadequate office space affecting College operation.

10 - The College fails to attract a high number of good quality applicants –

[REDACTED: confidential and sensitive information]

It was NOTED that the marketing Department had been putting greater emphasis on liaison with schools and school visits. As a result, requests for prospectuses had risen as had hits on the website.

19 - A rise in mental health issues.

20 - An increased number of students requiring reasonable adjustments for SpLD

It was NOTED that levels of support provided by the Student Support Officers had been increased

24 - Impact of Britain leaving the EU on Norlanders wishing to find employment outside the UK.

64 - Policy changes affecting alternative providers.

65 - Birth rate changes affecting demand for courses.

BOA061219.7 *Regulatory Compliance*

A hard copy of the new Compliance Register was tabled. Although it had not yet been fully populated, it was NOTED that a Dashboard would be created for future Board meetings and all deadlines reported to the Board six months in advance as well as notice given of all deadlines met. It was NOTED that the full register would also appear as a standing item on all Finance and Audit agendas.

The importance of keeping the register up-to-date and accurate was NOTED, especially in light of anticipated changes to OfS regulations. It was NOTED that the document would be a live Excel spreadsheet and therefore continuously updated as a working document.

BOA061219.8 *Core Training for Directors*

All Directors were invited to complete a form to indicate which online courses they would like to take. Directors were also encouraged to contact the Governance Manager should there be any other areas of training which they felt would be helpful to them.

It was AGREED that general non-Executive Board training would benefit Directors and should be investigated. **Action OG**

BOA061219.9 *Report from the Academic Board*

It was NOTED that much of the meeting held on 22nd November had involved approving new policies and updating Committees' terms of reference. It was NOTED that there was nothing of significance to report. A written summary would be provided at the next Board. **Action JR**

BOA061219.10 *Report from the Finance Committee*

Michael Bray gave a brief overview of the meeting and commented that all the main items (which were also on this Board's agenda) had been reviewed in detail and approved without any particular issues. The Finance Team were commended for their hard work in putting all of the documents together.

Michael Bray emphasised the need for the Board to understand the significance

of the Letter of Representation and the undertaking it conferred on each individual Director.

In relation to this, attention was drawn to The Directors' Responsibilities Statement included in the Statutory Accounts.

It was NOTED that the Auditors had not requested to speak to any of the Directors individually and that this implied there was no concern in respect of anything they had been presented with.

The Committee reviewed an update of the Business Continuity Plan (BCP). In principle the plan was approved. It was NOTED, however, that a few minor changes still needed to be made but were not substantial. The BCP would then be circulated to the Board before being presented at the next Finance Meeting in February next year. **Action ST**

BOA061219.11 *Report from the Audit Committee*

It was NOTED that the meeting had not been quorate. Two Directors were required for quoracy but only one (Peter Hymans, the Chair) was present. It was NOTED that regardless of this, the Committee had completed its business and each item requiring approval had subsequently been ratified by the other two members of the Committee via email.

In addition, Peter Hymans highlighted the following:

The Audit Findings Report was considered and discussed. There were no major issues highlighted. It was recommended to the Board for approval.

The Letter of Representation was considered and recommended to the Board for approval.

The Committee had been satisfied with the work of the Auditors and therefore recommended reappointment of RSM as the College auditors for 2019/20.

The Chair questioned why RSM had audited the College and the Foundation as separate entities rather than as a group.

Discussion followed. It was AGREED that good procurement practice dictated regular auditor rotation. Even if the College did not put its audit out to tender, the audit process should be re-evaluated.

It was AGREED that RSM should be reappointed for 19/20 but with the intention that a single partner/director signs off the Group and the usual Audit Plans (including expected costings) are produced. **Action AR**

At the time of the meeting the Compliance Register was still in development. It would be considered at the next Audit Committee meeting in June. **Action MD**

Minor data breaches were reported as having arisen from careless use of email by an individual. The College had taken appropriate action and no further

breaches had taken place.

Health and safety report - it was NOTED that there had been an incident which involved a staff member who had nearly fallen out of an office story window. The Audit Committee had strongly advised the College to investigate further prevention measures which could be taken.

Discussion followed as to whether the Audit Committee's remit could include oversight of the Norland Foundation. Michael Bray commented that in his previous employment, where the group structure included a charity subsidiary, this had been the case. Discussion followed. It was AGREED that the Audit Committee Terms of Reference should be amended to include oversight of the Norland Foundation. **Action OG**

BOA061219.12 Draft Statutory Accounts y/e 31.7.19

Alex Read spoke to his paper and commented that the general purpose of the financial statements was to provide information about the results of operations, the financial position and cash flows.

It was NOTED that the adjustments required by the Auditors included the stripping out of the draft Gift Aid payment of *[REDACTED: confidential and sensitive information]*. The reason for this was that at the year-end there had been no statutory commitment to pay this sum. It was NOTED, however, that as long as an agreement was in place and payment of the final gift aid was made by 30th April 2020, the tax benefit would apply.

The Board AGREED to the transfer of the final Gift Aid payment of *[REDACTED: confidential and sensitive information]* to the Norland Foundation. **Action AR**

The year-end 31.7.19 financial statements were approved and Martin Clarke and Janet Rose were authorised to sign.

BOA061219.13 Audit Findings Report (AFR) y/e 31.7.19

Alex Read spoke to his paper and highlighted the issue of Old Creditor Balances. *[REDACTED: confidential and sensitive information]*

It was NOTED that these historic balances would remain on the College balance sheet, and would be highlighted each year by the auditors.

The AFR highlighted the Auditor's requirement for the loan to be disclosed on the balance sheet as amounts due with one year, as well as amounts due within more than one year. This was despite the well documented intention to repay the loan early.

The Board congratulated the Finance Team on the results contained in the Report.

BOA061219.14 Letter of Representation y/e 31.7.19

The Chair drew the Board's attention to paragraphs in the letter which represented the Board's financial judgements.

The Chair was authorised by the Board to sign the year-end 31.7.19 Letter of Representation.

Rosemary Heald congratulated the management and staff in respect of the College's finances, particularly the operating margin as a percentage of income.

It was NOTED that in the Independent School sector 10-12% was the recommended percentage, and that Norland had achieved this. It was NOTED however that the profit generated by Norland was from a mixture of sources including the commercial arm of the College.

BOA061219.15 OfS 5-Year Forecast & Commentary

Alex Read spoke to his paper and summarised its findings. It was NOTED that the Finance Committee had considered the forecast closely. In addition the forecast and commentary had been sent to all Board members for their approval, which had been received.

David Timms suggested that in the section explaining the benefits of the new charity structure, more emphasis should be placed on the intention of long-term benefits for students. Although the report and commentary had already been submitted to the OfS, this was something which should be included for the following year. **Action AR**

Alex Read and his team were again thanked for their hard work in producing this document to an extremely tight deadline.

BOA061219.16 Prevent Risk Assessment Action Plan 2019/20

it was NOTED that the assessment plan had been scrutinised by the Audit Committee and had been recommended to the Board for approval.

The Prevent Risk Assessment Action Plan was approved by the Board. **Action ST**

BOA061219.17 OfS Action Plan

It was NOTED that this was an update and that almost all actions had been completed. There has been a query over item 9. This related to a condition of registration related to stakeholder accountability. It had subsequently been clarified with Mandy Donaldson. The Executive team would carry out the review of stakeholder accountability and present it to the Audit Committee.

Action JR/MD/AR

BOA061219.18 Principal's Report & Update

Janet Rose spoke to her paper and highlighted the following:

The appointment of the new Head of Learning, Teaching and Research, who was taking up the post at the beginning of January.

Community and charity work - Janet Rose praised the work being carried out by the two new charity coordinators. They had produced a newsletter and this was presented to the Board.

The Board was asked for its comments in respect of the Norland graduation hood design and colours. Samples were circulated.

BOA061219.19 KPI Dashboard

It was NOTED that the Dashboard had only recently been reviewed at the October meeting.

Accordingly, it was AGREED that an update of the KPI Dashboard should only be presented to the Board three times a year and should not go to the December Board. **Action JR/OG**

BOA061219.20 Scala update

It was NOTED that a note for discussion had been circulated to all Board members on 3.12.19, presenting the pros and cons of the proposal.

[REDACTED: confidential and sensitive information]

The Board AGREED that the Executive's analysis was excellent and well-balanced. It further AGREED that the decision to postpone a decision about the development be communicated to the developers as soon as possible. **Action JR/AR**

It was NOTED that alternative strategic plans and options, in terms of generating space, would be presented to the Board for discussion at the Away Day. **Action JR**

BOA061219.21 Any other business

There was none.

BOA061219.22 Date of next meeting

Wednesday 25th March 2020, York Place, 10.30am.