



***Minutes of the Norland Board of Directors Meeting
held on Wednesday 23rd October 2019, 10.30am-1pm.
at Norland College, York Place***

Present

Martin Clarke, Chair
Michael Bray, Director
Roberta Edwards, Director
Rosemary Heald, Director
Peter Hymans, Director
Christopher Jerram, Director
Alastair Page, Director
Kris Turner, Director
Janet Rose, Principal

In attendance:

Julia Gaskell, Head of Consultancy and Training
Kim England
Elizabeth Harvey, Events Manager
Eleanor Rose, 3rd Year Student
Mandy Donaldson, Vice Principal
Alex Read, Chief Financial Officer
Olivia Goulden, Governance Manager

BOA231019.1 Apologies

Apologies were received from David Timms.

BOA231019.2 Chairman's Communications

The Chair reported that he had received a letter by email from the Director of Competition and Registration at the Office for Students(OfS) dated 21st October 2019 informing the College that the deadline for the payment of the QDB annual fee had been missed, and emphasising the importance of timely submissions of all regulatory material and the action required by the College.

The fee has been paid. It was NOTED that the College had never missed a submission deadline in the past.

The Principal carried out an investigation immediately following receipt of the letter. She reported that the College was aware of the requirement to pay an annual fee but not the date by which it was due. The first notification of the deadline for payment was sent by email in July 2019 by the OfS, not to a named individual at the College, but to a generic email address at the College, namely enquiries@norland.ac.uk, which was not the designated email address provided by the College to both the QAA and the OfS.

This notification arrived at a time when a new member of staff had only recently taken over responsibility for monitoring this email address. A follow-up notification email from the OfS was sent to the same email address (enquiries@norland.ac.uk). This time the notification reached the correct department and the payment was processed accordingly. The College has now clarified the job details for the staff member responsible for this email address.

The Principal informed the Board that both the OfS and QAA have the correct designated email address for all correspondence.

The Board NOTED that compliance with regulatory deadlines is the responsibility of the Board and that such compliance is an ongoing condition of registration with the OfS. In addition the Board is aware that, under statute, the OfS had the power to fine institutions for non-compliance.

In order to ensure compliance with all future regulatory deadlines the Board agreed the following procedures:

- a comprehensive list of regulatory deadlines will be created and the Executive will keep it up to date with any additions and changes. **Action MD/ST**
- 'Regulatory Compliance' will appear as a standing item on the Board agenda and the list of regulatory deadlines will be presented at every Board meeting. **Action OG**
- the Audit and Finance Committees will examine regulatory deadlines 6 months in advance and seek an assurance from the Executive that the deadline will be met.
- the Risk Register entry entitled 'regulatory non-compliance' will contain details of the impact of the risk to the College, including the financial consequences of non-compliance. **Action AR**

BOA231019.3 New Director Recommendations

The Board RESOLVED to appoint the following as Directors of Norland College Ltd:

- **Tracey Worth**
- **Kate Dicker**
- **Lucy Lovatt.**

All three were warmly welcomed to the Board.

Julia Gaskell and Kim England, who had resigned from the Board on 27th March 2019 and 26th June 2019 respectively, were thanked for their invaluable contributions and support as Directors and were presented with farewell gifts.

BOA231019.4 Re-appointment of Directors

It was NOTED that the re-appointment of 3 Directors had taken place at the previous meeting on 26th June 2019.

BOA231019.5 Appointment of Staff and Student Representatives

It was AGREED to re-appoint Elizabeth Harvey as staff representative on the Board, and to appoint Eleanor Rose (3rd year student) as student representative.

BOA231019.6 New Declarations of Interest

There were no new declarations of interest.

BOA231019.7 Minutes of previous meeting held on 26th June 2019

The minutes were confirmed as a true and accurate record of the meeting, subject to the point made at Matters Arising below.

BOA231019.8 Matters Arising/Action Status Report

Peter Hymans commented that minute BOA26619.7 did not fully reflect the reason for Director attendance at the Academic Board rather than having membership of the Board. The full reason was as follows: the Board of Directors delegate the responsibility for the establishment and maintenance of academic standards to the Academic Board and as such the Directors should not interfere with the process as it is a College responsibility. However the Board of Directors must have oversight of how the Academic Board fulfils its responsibilities. It does this in two ways, firstly by receiving the minutes from the Academic Board, including a quarterly summary, and secondly by observing Academic Board meetings. The observation serves two purposes, to aid the oversight process and to give Directors insight into how academic standards are managed.

The Action Status Report was NOTED.

BOA231019.9 Risk Register

Alex Read spoke to his paper. The following risks were highlighted:

15. & 48. Reputational damage affecting student applications and student retention – significance of risk raised to 16 (see item **BOA231019.16** below).

45. Failure of regulatory compliance - in light of item **BOA231019.2** above, it was AGREED that the commentary should include a reference to the monitoring roles of the Finance and Audit Committees. **Action AR**

56. Key staff leaving – although the significance of this risk was high at 16, it was NOTED that succession planning in this respect had improved.

BOA231019.10 KPI Dashboard

Janet Rose spoke to her paper and highlighted that KPI 2 (*'Metrics reflect Norland as the leading Higher Education Alternative Provider of Early Years'*) had now been recorded as 'Achieved'. In so doing, Janet Rose made reference to Norland's achievements in winning the WhatUni Award and TEF Gold. It was NOTED however that KPI 24 (*'Student applicants will include at least 5% from under-represented groups'*) and KPI 26 (*'100 students are recruited with a minimum of 2 applicants per place'*) remained 'Red – Challenged'. A comment was made that black ink on a red background was difficult to read. **Action SR**

Alastair Page commented that he did not feel that the explanation provided for the strategic aim, *'Growth for Sustainability'* adequately covered commercial growth. Janet Rose however explained that the inclusion of *'activities in stakeholder environments'* was intended to cover this.

It was suggested that, for clarity, the Departmental abbreviations listed under the 'Progress Column' should be set out in full as a key at the end of the document. **Action SR**

BOA231019.11 Term 3 Management Accounts

Alex Read spoke to his paper. It was NOTED that this paper was a summary of the full accounts which were available on the Directors' Hub.

It was NOTED that the draft profit before donations was just over £390k. As a result of change of ownership, a donation could be paid to the Norland Foundation and this draft figure was included as £609k. Therefore the draft reduction in reserves after the donation would be £219k.

Martin Clarke explained that if Norland College Ltd had been paying rent to the Foundation for Oldfield Park since it had opened then this would have been close to the £609k figure.

The Agency's turnover of over £400k was particularly mentioned. Discussion followed that in terms of student and agency income, there was a 'natural cap' on revenue. In terms of consultancy and training, however, the growth was potentially limitless.

It was NOTED that the final audited accounts would be presented to the Board for approval at its next meeting on 6th December 2019.

BOA231019.12 19/20 Outturn Update

Alex Read spoke to his paper and explained that its purpose was to predict the future year-end (31.7.20) position. He summarised the key points including the removal of the Corporation Tax charge of £102k from the Outturn. In addition, an estimated donation to the Norland Foundation of £521k had been included.

Discussion followed in respect of the possible reaction of the OfS to the College showing a reduction in its reserves in its accounts (following its donation to the Norland Foundation). It was NOTED that the College had alerted the OfS of its

proposal and had asked for its advice. The Governance Agreement had also been provided as evidence of the legal relationship between the two entities and the Foundation's duty to meet the College's obligations under the Student Protection Plan. The OfS had responded to say that it was unable to comment or give advice on the College's proposal. It was hoped however that the OfS would look at the finances of the group structure as a whole rather than at the College in isolation.

BOA231019.13 *Transfer of assets to the Norland Foundation*

It was NOTED that it was proposed to formally transfer Norland College Ltd's assets and investments to the Norland Foundation. The transfer would potentially consist of the following elements:

Approximately £1.3m in investments held by Norland College Ltd – the Chair explained that this was desirable as it enabled a reorganisation of the investment portfolio with no liability for Capital Gains Tax.

It was AGREED that the total investment portfolio currently held by Norland College Ltd should be transferred to its parent company, The Norland Foundation. Moreover, it was AGREED that, to secure the Student Protection Fund (the Fund), the investments and any subsequent additions up to the required amount for the Fund (currently £1.5 million) should be held in low/medium risk securities and shown in the Foundation accounts as a designated fund. The choice of securities will be advised by stockbrokers Charles Stanley. **Action AR**

York Place – it was NOTED that once the ownership of York Place had been transferred to the Foundation, the rent charged by the Foundation would be a market-rate of approximately £90k per year. The College would remain liable for the insurance and maintenance of the building. The Board was reminded of the loan secured on York Place (taken out in order to fund the development of Oldfield Park) and the additional cost which would be incurred in transferring it to the Foundation.

It was AGREED that the ownership of York Place should be transferred from Norland College Ltd to the Norland Foundation. The Norland Foundation would then lease York Place back to Norland College Ltd. **Action AR**

It was AGREED that the loan with NatWest Bank currently secured on York Place of approximately £507k should be repaid at the first available opportunity. **Action AR**

Oldfield Park – it was NOTED that in order to transfer the Oldfield Park lease to the Norland Foundation, the permission of Hayesfield School was required. Thus far, permission had not been forthcoming.

It was AGREED that an update on the progress of discussions with Hayesfield School should be provided to the Board at its next meeting on 6th December 2019. **Action JR/AR**

BOA231019.14 Business Continuity Plan (BCP)

It was NOTED that the Finance Committee had recommended the BCP to the Board for approval.

Janet Rose commended members of the SLT, and Stephanie Taylor in particular, for their work on the BCP. Mike Bray was also thanked for providing an initial template. In terms of its annual review and approval, it was AGREED that the BCP should be presented to the Finance Committee for scrutiny and then to the Board for approval. Any changes from the original should be clearly highlighted.

It was AGREED that the process of review and approval should be clearly explained in the policy itself to reflect the above. In addition, in terms of responsibilities, it was AGREED that the person's *role* should be stated before their *name*. **Action ST.**

BOA231019.15 Staffing Proposal

Janet Rose spoke to her paper and explained the importance of the Alumni Relations and Engagement Manager and College Administrator posts. It was NOTED that the Finance Committee had asked for more detail in terms of income generation created by the 2 new posts. This had been included in the paper presented to the Board. In respect of the proposed post of Alumni Relations and Engagement Manager, Kate Dicker, as a Norlander, commented that she felt the role would be generally welcomed by the Norland Alumni. It was NOTED that part of the role would involve a fund-raising element.

It was AGREED to APPROVE the posts of Alumni Relations and Engagement Manager and of College Administrator.

BOA231019.16 Principal's Report and Update

Janet Rose spoke to her paper and highlighted the following:

- Improved NSS results – 95% student satisfaction;
- TEF Gold – now for 2 years;
- The introduction of a new student Welcome Guide;
- The appointment of a Professor to the Academic Department;
- Re-structuring of the Academic and Marketing teams with new job titles;
- The creation of a new Quality and Standards Committee; and
- Norland's potential expansion into China.

Janet Rose also reported two recent brand threats which were being investigated. In the first case lawyers have been instructed. The second case would be dealt with under Student Disciplinary procedures.

Janet Rose also reported a data breach. Although this was not Norland's data breach and was the responsibility of the student records software company, Norland had a duty to report the breach to the Information Commissioner's Office (ICO), and had done so.

BOA231019.17 Uniform Update

Examples of possible new Norland uniform items were displayed to the Directors. The motivation for a redesign had been to provide the students with a greater choice and to create a uniform which was more gender neutral. In addition, it was NOTED that the proposed new uniform would be cheaper than the current uniform. Student focus groups had been set up.

Janet Rose invited Directors who wished to comment on the new uniform design, to write to her by email.

BOA231019.18 Possible new student accommodation

Alex Read spoke to his paper which was NOTED. Heads of Terms were yet to be forthcoming from the developers. Alex Read clarified that if the proposed transaction went ahead, it would be the Norland Foundation (rather than the College) which would purchase the 2 floors of office space and that in order to assist in the funding of this, potentially sell York Place.

Discussion followed in terms of the reputation of the developer and the high cost of the proposed rent.

An update on the proposal would be provided at the next Board meeting.

Action AR

BOA231019.19 Report from the Finance Committee

Mike Bray commented that most of the items from the Finance Meeting on 16th October had already been covered at this meeting. He did however highlight that the Finance Committee had agreed that the effectiveness of the metrics of 5% (net surplus) and 10% (operating surplus before depreciation) relative to turnover, would be reviewed for 20/21 given that costs seemed to be rising at a greater rate than in previous years. The Chair commented that whilst the 5% and 10% metrics were appropriate for an educational establishment, the expectation for the commercial arm of the College (Agency and Consultancy and Training) would be to generate a higher percentage of profit relative to turnover.

BOA231019.20 Report from the Academic Board

This was NOTED. Janet Rose reminded the Board that the validation panel for the Norland degree had recommended approval for the degree with only one condition and four commendations.

BOA231019.21 Board Terms of Reference annual review

Minor changes as marked-up were NOTED and APPROVED. **Action OG**

With reference to paragraph 24, the Chair commented that he welcomed diversity in its widest sense and encouraged current Board members to recommend anyone they felt had the right skill-set to join the Board.

BOA231019.22 Report from self-assessment questionnaire

The Chair NOTED that overall the results of the questionnaire pointed to a positive view of the effectiveness of the Board. The following points were also highlighted:

- **Board papers** - although a majority of Directors either disagreed or were neutral in reaction to the statement that the volume of Board papers had reduced since TDAP, the Board agreed that the current meeting showed a marked reduction.
- **Directors professional development** - 55% of Directors agreed that there were sufficient opportunities to attend professional development events. Details of relevant courses, especially those run by Advance HE, were circulated by email to Directors and all should be encouraged to attend one such course every 2 years.
- **Availability of information from parents and students concerning the 'Norland Experience'** – as Norland was an HEI, it was AGREED that it was not appropriate to include a reference to parents in this question.
Action OG
- **Clear and transparent explanation of the Norland Foundation** – 44% had 'strongly agreed' this to be the case whilst the rest had 'agreed'. The Chair commented that he was not surprised by this result and that he hoped over time there would be greater clarity and understanding in respect the operation of, and the interaction between, the two bodies.
- **Length of Board meetings** – The Chair commented that meetings should be short and concise, and limited to decision-making rather than lengthy discussion.
- **Key Challenges** – The Chair commented that Management should keep in mind the issues raised by the Directors.

It was NOTED that an external review of Board effectiveness by an independent facilitator should be arranged. **Action JR/OG**

A Board Away Day to discuss future challenges was proposed to take place in April 2020 and would take half a day. **Action JR/OG**

BOA231019.23 New Organisational Charts

These were NOTED.

BOA231019.24 Any Other Business

There was none.

BOA231019.25 Date of next meeting

Wednesday 6th December, 10.30am, at Norland College, York Place, Bath.