



# MEETING MINUTES

**MEETING**

Corporation Board

DATE: Tuesday 10<sup>th</sup> October 2017      TIME: 14.30-16.30

VENUE: NCHSR, 2, Lister Street, Birmingham B7 4AG      CHAIRED BY: Alison Munro

MINUTE/ACTION TAKER: Sally Brook Shanahan, Clerk to the Corporation & Legal Officer

**ATTENDEES**

1. Alison Munro (AM)	2. Alex Stephenson (AS)	3. Clair Mowbray (CM)
4. Anita Bhalla (AB)	5. Prof. Jon Binner (JB)	6. Naomi Connell (NC)
7. Alistair Dormer (AD)	8. Carl Garrud (CG)	9. Philip Hoare (PH)
10. Jo Miller (JM)	11. Suzanne Roberts (SR)	12. Mark Thurston (MT)

APOLOGIES: Colin Stewart (CS)

IN ATTENDANCE: Shilpi Akbar (SA), Neil Brayshaw (NB), Sally Brook Shanahan (SBS), Sir Frank McLoughlin (FML) and Martin Owen (MO)

TOPIC	WHO	WHEN
<b>After Members had introduced themselves AS, the Vice Chair, took the Chair for the following Preliminary Items:</b>		
<b>A. Declarations of Interests</b>		
None beyond those already recorded in the Register of Interests.		

<p><b>B. Appointments</b></p> <p>The following appointments were agreed unanimously on the recommendation of the Search &amp; Governance Committee:</p> <p><b>Alison Munro</b> as a full member of the Corporation Board for an initial term of 4 years and Chair of the Corporation Board for a co-terminus period in succession to Sir Terry Morgan.</p> <p><b>Mark Thurston</b> as a full member of the Corporation Board on the nomination of HS2 Limited for an initial term of 4 years. It was agreed that in the event MT was unable to attend a meeting <b>Jim Crawford</b> could attend as his alternate.</p> <p><b>Philip Hoare</b> as a full member of the Board for an initial term of four years co-terminus with appointment as the Chair of the Industry Advisory Board.</p> <p><b>Jon Binner</b> as a member of the Audit Committee for a period co-terminus with his membership of the Corporation Board.</p>		
<p><b>1. Minutes of the meeting held on 24<sup>th</sup> July 2017 (Paper 1)</b></p> <p>The minutes of the meeting of the Corporation Board held on 24<sup>th</sup> July 2017 were agreed and signed by the Chair as a true record.</p>		
<p><b>2. Actions Log from the meeting held on 24<sup>th</sup> July 2017 (Paper 2)</b></p> <p>(i) <u>ACT50 – BIM System</u> – CM confirmed the BIM system in use at the College was the same as that used by HS2. CM had been in contact with Jim Crawford at HS2 and both parties were content with the system. It was agreed the action can be closed.</p> <p>(ii) <u>ACT51 – Donation of Equipment</u> – At the suggestion of the outgoing Chair CM had written to Bentleys about a potential donation of specific kit. Currently the firm was prioritising investment in its own training facilities but agreed to keep in touch with the College as the position may change. The action was closed.</p> <p>(iii) <u>ACT52 – Assistance from Crossrail</u> – CM confirmed the outgoing Chair had offered support with stakeholder engagement, particularly in relation to women in engineering, to help build on the College’s programme of activities.</p> <p>(iv) <u>ACR53 - Bursary funds</u> – CM reported that a formal response was awaited from Willmott Dixon about the contribution they had agreed to make towards the bursaries fund in advance of a meeting later in the</p>		

<p>month. It was confirmed that for 2017-18 six bursaries had been awarded to learners on the Cert HE programme to cover their course fees and materials/ equipment related to the course. In subsequent years three per annum will be available. If required, further opportunities to obtain funding to increase bursary places will be investigated. The action was closed.</p> <p>(v) <u>ACT59 – Working capital loans</u> – CM confirmed a four-way meeting is to be held in November 2017 between the Department for Education (“DfE”), HS2 Limited, the Department for Transport (“DfT”) and the College to align the working capital loans. An update will be given at the next meeting.</p>		
<p><b>AM took over the Chair from AS at this point in the meeting.</b></p>		
<p><b>3. Chief Executive’s Report (Paper 3a)</b></p>		
<p>CM introduced her report and said it was a very busy time as the College moved from readying to opening. The Birmingham and Doncaster campuses had been launched with cohorts of learners on programmes at both. A successful Launch Event for the Doncaster campus was held on 9<sup>th</sup> October 2017, from which excellent feedback had been received. The Birmingham Launch Event would take place on 16<sup>th</sup> October 2017. CM commented on the amazing atmosphere in the buildings now the first learners had arrived. This meant the recruitment focus was now moving to the January cohort to build numbers for all programmes but with particular attention being paid to increasing learner numbers in Doncaster. Preparation was also underway to start recruitment for September 2018.</p> <p>CM said there were three areas where Board support was required namely Track Systems, the Doncaster campus and Leadership and Management. In relation to Track Systems she noted potential apprentices have applied to the College to study track systems but there were currently no vacancies from employers in which to place them. CM asked for Board support to link the College to appropriate companies.</p> <p>Turning to the Doncaster campus CM emphasised Employer engagement around the Doncaster offer needed to increase to maintain the profile of the College. Work was ongoing with Doncaster Council and discussions taking place with businesses in the immediate vicinity. CM said Board support was required to identify companies across Yorkshire to engage with the College at its Doncaster campus where Systems Engineering, Track Systems and Leadership and Management were all parts of the offer coming on stream in January 2018.</p> <p>In relation to Leadership and Management CM said the College was offering a CMI Operational and Departmental Management</p>		

Apprenticeship at Level 5. This course was appropriate for anyone looking to move into a managerial role, graduates and those new to management and had been contextualised for the Rail Industry. CM re-emphasised the need for support from Members to encourage take up of this offer.

AD said Hitachi have a massive supply chain in the North East to whom he could write recommending the College. To do this, he asked to be supplied with information about course descriptions and delivery.

AM suggested the Procurement database at HS2 could also be used. MT enquired about the College's catchment area which CM confirmed extended across from Huddersfield to Newton Aycliffe and Hull and as far south as Peterborough which meant Sheffield was well within it. MT will find out if this can be done.

AD also suggested contact could be made with the Railway Forum in Derby. JM encouraged all Members to lead by example. PH asked for the information requested by AD to be circulated to all Members. FML asked Members to include a reminder about companies using their Levy monies to pay for training.

CG told Members about Rhomberg Sersa's first foray into apprenticeships and how the College could assist other employers by making information readily available to them. CM drew attention to the Business Guide with Questions & Answers, including for non-Levy payers, that the College had already published. CG suggested a slimmer summary of the Business Guide should be uploaded to the College website.

AD enquired about the arrangements for on-going support in relation to the specialist kit and equipment that had been donated to the College and was being installed at both Birmingham and Doncaster. CM confirmed that each commitment, known as a Leadership Pledge, includes details of the support to be given and which varied depending upon the nature of the donation. CG's generous offer to supply scale models, track forms and steps was noted.

AB enquired about recruitment in response to which CM drew attention to the broad diversity amongst staff and learners. AM summed up the action arising out of the discussion for information about the College offer to be circulated and for all Members to use their contacts in the ways discussed for the benefit of the College (ACT63).

### Finance Report (Paper 3b)

MO introduced the paper and said the draft financial statements for the 2016/17 year had been prepared and were currently being

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<p>audited by RSM UK Audit LLP. He referred to the summary of the outturn position that showed a £3.2m deficit. He explained, whilst much of the expenditure on IT infrastructure had been previously reported as revenue expenditure upon receipt of accounting advice and with the benefit of discussions at management and Board meetings, the decision had been taken to capitalise this expenditure which was now the key difference in the profit and loss account.</p> <p>NC asked for a revised forecast and for the “going-concern” question to be considered in the light of it (ACT64).</p>	<p>MO</p>	<p>F&amp;R Committee on 27.11.17 and Audit Committee on 5.12.17</p>
<p><b>4. Committee Update:</b></p> <p><b>(i) Search &amp; Governance Meeting held on 10<sup>th</sup> October 2017</b></p> <p>AS noted the Committee’s recommendations for appointment had now been agreed by the Board. He also gave an update on the Governance Self-Assessment that had been carried out via a series of one-to-one interviews with Members using questions agreed by the Committee. The outcome showed a high degree of willingness amongst Members to continue to serve on the Board whilst at the same time noting that different skill sets may be required now the College was in operating mode. Members also confirmed the high level of enjoyment they experienced carrying out their roles. Thirteen recommendations for governance improvements were recorded with actions on the majority already in progress. In the next few months the process to review the College against the Code of Good Governance for English Colleges will begin with progress being monitored by the Committee.</p> <p>A discussion had also resulted in a suggestion to amalgamate the Search &amp; Governance Committee with the Remuneration Committee. A recommendation on this proposal will be brought to the Corporation at its meeting on 13<sup>th</sup> December 2017 (ACT65).</p> <p><b>(ii) Remuneration Committee Meeting held on 10<sup>th</sup> October 2017</b></p> <p>AS reported the Committee had agreed the procedure for conducting the Chief Executive’s performance review and the probationary reviews for the Commercial Finance Director and the Clerk to the Corporation &amp; Legal Officer. These reviews will be conducted in time for the outcomes to be brought back to the Remuneration Committee at a meeting to be arranged in December 2017 (ACT66).</p>	<p>AS/SBS</p> <p>AS/SBS</p>	<p>13.12.17</p> <p>13.12.17</p>
<p><b>5. HS2 Update and supply chain commitments</b></p> <p>MT said he had been in post as the Chief Executive of HS2 Limited since 1<sup>st</sup> March 2017. He gave an update about the key events</p>		

that had taken place since the Phase 1 Bill received Royal Assent in February 2017 including the award of the Main Works Civils Contracts in July 2017. In the same month, the Phase 2A Bill had been introduced into Parliament and was expected to receive its second reading in November 2017 although this may be a challenging timetable owing to the demands of Brexit on parliamentary time. Further, he reported the formal consultation had recently finished in relation to the Phase 2B route decision.

The Main Works Civils contracts (“MWCC”) contractors were now mobilised and would revert to the government for sanction in March 2019. HS2 Limited was currently in the market to find partners for the development of Euston and the southern stations. To date around 6,000 notices had been issued relating to access, possession and compulsory purchase. Currently 1,500 persons are employed between Snow Hill in Birmingham and Euston.

By the end of 2019 all the main contractors will have been appointed, including for the trains, and the project will be six months into construction, Royal Assent will have been received for Phase 2A and the Bill for Phase 2B deposited in parliament.

MT also reported on the recent appointment of Clive Maxwell, formerly of BEIS, to succeed David Prout as the new Director-General.

Turning to support for the College MT noted the first joint event EDI/SEE supplier community event for all contractors will be held on 24<sup>th</sup> October 2017. The Early works contractors had pledged 660 days of support for the College over the next 4 years and both Fusion and Costain/Skanska had committed learners to the opening intake.

A joint Functional briefing had taken place on 13<sup>th</sup> September 2017 for MWCC contractors on SEE and engagement with the College to outline the expectations on contractors and the support available. Follow up meetings to discuss draft initial SEE implementation plans, including commitments on the College, were being diarised for late October and early November 2017, with the implementation plans to be finalised by the end of November 2017.

MT confirmed all engagement with the Joint Ventures was through the Trailblazer process. Post award meetings specifically about the College are being set up to follow on from the Functional briefing. MT gave details of the companies that had committed to take learners for the January 2018 intake. Engagement with employers to date was positive and concentrated on the delivery of three messages: Embrace innovation, improve community engagement, which remained the biggest risk, and the promotion of the skills and employment agenda.

<p>AM asked about timings in relation to the systems contracts as these were important for the College, MT said they would be going to the market during the first quarter of 2018 and that by January 2019 the requirements, including skills, would be established.</p> <p>AM observed the difference between the contractual wording around skills requirements included in the early contracts compared to the present position and suggested to MT that it should be refreshed.</p> <p>JM said it was excellent to have both AM and MT on the Board and noted the positive impact this would exert on the industry.</p>		
<p><b>6. Report on opening including 2017/18 learner numbers</b></p> <p>NB reported the College had opened to learners on 27<sup>th</sup> September 2017. The College was the managing agent for a cohort of 26 apprentices from HS2 and another cohort of learners on the Level 4 Cert HE full-time programme. During the early days, the learners had been followed around by a film crew and were a great credit to their employers and the College. The dynamic had changed with the arrival of learners in the buildings and a great “buzz” had been generated from the events held at both campuses.</p> <p>Current numbers were 26 HS2 apprentices and 15 Cert HE learners with a further five due to start next week. At Doncaster, there were currently six Cert HE learners with a further four scheduled to arrive by the end of next week. Dates had also been agreed for two more Assessment Centres. NB reported there had been a spike in applications on the evening of 9<sup>th</sup> October following the Doncaster Launch Event.</p> <p>NB informed Members about the validation process with Sheffield Hallam University for the Level 4 Cert HE qualification that had been completed in just 7 weeks. He said this was an unprecedented achievement, attributable to the superb staff.</p> <p>In terms of apprenticeship numbers NB reported recruitment was underway with a strong group of young people looking to come into the industry. The College was giving them support, including with the preparation of CVs and interview practice before they were introduced to employers.</p> <p>In terms of the specialist pathways, NB confirmed Track will be running from January 2018. One apprentice from Rhomberg Sersa who is already enrolled is engaging with the Cert HE cohort in the meantime. A further Civils group will also be recruited to start in January 2018.</p> <p>Overall NB said the College was providing an exciting learner experience and he expressed optimism that the learner numbers</p>		

will be recruited. He confirmed there was a single-entry point for the full-time Cert HE qualification in September whilst for apprentices they were three entry point during the year. Currently he reported 35% of all applicants were female.

In response to a question from NC, CM confirmed information about courses and intakes will be included with that being circulated to Members for onward transmission to their supply chains.

CG said Rhomberg Sersa will be taking on a second apprentice for January 2018. JM said that as a matter of leadership all organisations represented on the Board should have learners at the College as doing so would send a powerful message. NB emphasised that with the Leadership and Management qualification available there was no barrier to any member sending learners to the College as this was a generic Leadership and Management course with an additional high-speed edge. NB emphasised the sense of urgency for Members to support the College in this way. NC said the fundamental challenge was that companies could not draw down Levy funding. NB said this was not the case regarding the Leadership and Management qualification as it had been allocated a funding band. He pointed to others who had sent learners and urged Members to take a leap of faith.

MO told Members the College had received some fantastic applicants who could be readily matched with employers. PH asked if bidders for the HS2 Phase 1 contracts had been targeted. CM confirmed they had but much of the feedback received indicated they would like the College to offer Levels 2 and 3, rather than 4. She added, there were learners wanting to have an apprenticeship with a Track specialism but currently there weren't employers wanting to take them. FML noted the churn amongst learners in the autumn and suggested this could result in opportunities for the College. He also reminded Members that to date the College had been selling a concept but now it was now a reality. He felt the "job" available to learners would sell the College offer, particularly in an insecure world. FML said nevertheless the College must continue to be ambitious. PH added that Board Members were ambassadors for the College and should lobby colleagues wherever possible to help increase learner numbers. In reply to a question from MT enquiring about opportunities for Network Rail to use the College CM said they currently delivered their own programmes at Levels 2 and 3 but were in discussion with the College about a potential partnership for Level 4 delivery. AM prompted a discussion about the dissemination of the message about Level 4 provision in which CM pointed out the need for higher technical skills in the supply chain.

Noting the initial College intake was 35% female, JB asked for a further breakdown. CM said there were far more learners from ethnic groups than white with the proportion currently 80/20.

<p>There was also a wide age range with older learners and altogether significant diversity within the cohorts. In reply to a question from AB, NB confirmed postcode data was being kept by the College and employers. CM said the College maintained key statistics on its learners with catchment mapping included amongst them. SA highlighted the need for the College to continue to build its credentials around high quality provision and to ensure that all applicants are kept warm.</p> <p>NB briefed Members about the forthcoming Open Days on 1<sup>st</sup> and 8<sup>th</sup> November 2017 at the Doncaster at Birmingham campuses and encouraged them to participate.</p>		
<p><b>7. Patron Scheme (Paper 7)</b></p> <p>FML introduced the paper which had been the subject of prior discussion by the Search &amp; Governance Committee. He began by outlining the current Further Education context including the need to couple the pipeline of supply and demand with the availability of work. Against this background he strongly urged the College to adhere to its plan to offer 4 provision at Level and above. He emphasised NCHSR was a new type of college and in the vanguard in the sector. FML spoke about Sir Terry Morgan's background and the impact he had made on the College and suggested the association with Sir Terry should be maintained by inviting him to become its Founding Patron. For the time being FML said he felt the College should have one Patron and then reassess the situation. It was noted there were other potential candidates with a strong interest in the College from amongst the candidates who engaged in the recent recruitment for the Board Chair role. Going forward FML suggested there would be further opportunities to appoint ambassadors and fellows as part of graduation ceremonies.</p> <p>AB said she thought this was a great idea and also emphasised the need to keep track of alumni from the start. JB endorsed the view that the College should not be profligate with Patrons to ensure the role retained its honour. In terms of other associated roles, he said that ambassadors should be reserved for graduates. MT suggested potential Patrons could also come from the supply chain and should have geographic reach.</p> <p>The proposal to invite Sir Terry Morgan to be the College's Founding Patron was agreed unanimously with JM to make the offer to him at the dinner to mark his retirement as the Board Chair (<b>ACT67</b>).</p>	<p>JM</p>	<p>10.11.17</p>
<p><b>8. Funding Band</b></p> <p>CM said challenging times lay ahead in relation to the agreement of the Funding Band for the new High-Speed Rail Apprenticeship that,</p>		

with the Board's agreement, had been developed through the Trailblazer process. The summary content and End Point Assessment for the new Apprenticeship had been signed off but the Institute for Apprenticeships ("IfA") had decided that rather than valuing it at the Higher band (£27K) it decided to value it at £21K. CM explained that on that basis the College would not be viable as for every £1K below the level of the higher band the College would lose £1m over five years. Accordingly, on that basis the High-Speed Rail and Infrastructure Group have lodged an appeal against the decision and awaits to hear if the grounds for appeal, of which there are two – procedure and evidence - have been accepted. If the IfA decides the College has grounds for appeal then the decision will be set aside and the process will start again. By way of background CM said the IfA appeared to be looking at the College in the general Further Education context and comparing new High-Speed Rail Apprenticeships with existing ones in the sector, where for example many IT related apprenticeships were valued in the £21K band. Meanwhile, pending the agreement of the funding band the College was not able to charge for apprenticeships.

This information prompted a discussion in which AD asked what would happen in the event the IfA did not allow the appeal. CM said she had received a letter from the DfE setting out their commitment to assisting the College and that similar verbal assurances had been received from the DfT. This would involve them looking at a working capital loan and other support as under no circumstances would the College be able to cut its costs back sufficiently as the difference was over 20%.

MO noted that the College's costs had been built based on the quality of its provision that could not be delivered if the funding band was £21K. In the event a contingency arrangement could be put in place with the DfE, MO said he thought the College could potentially manage if the apprenticeship was valued at £24K and only then because the numbers of learners was small and bands were fixed for three years only. Beyond that timeframe MO stated emphatically that the position would be unsustainable.

With the College now operating at risk and building up debt, MT asked when it would have to decide if this was an unsustainable position. CM drew attention to the Secretary of State's right of veto over the funding band and the conversation held with her at the Doncaster Launch Event the previous day when the difficulties the decision were explained and she was alerted to the shortfall that would follow if the funding band allocated was below £27K. As requested, the College will do some scenario based planning to present to the DfE.

During the debate that followed JM pointed out the Secretary of State had acknowledged how different NCHSR is from a regular FE College when she opened the Doncaster campus the previous day. NC

<p>emphasised the need for the IfA to understand the history of the College when making its decision. CG asked whether the budget had been amended in the light of this issue. MO said not yet, and confirmed he felt it remained realistic on the basis two more learner cohorts would join during the year.</p> <p>AM asked how the key decision on the appeal would emerge. CM said she felt the process was not transparent and had told DfE. No feedback had been received to date but communication from IfA was expected in the next few days.</p> <p>In the context of Trailblazers, PH asked if the College had the support it needed from the group to pursue the appeal. CM outlined the challenges and said that in the event the appeal was set aside the process would have to start again as no new evidence can be submitted on appeal.</p> <p>MT suggested there could be mileage if the points were followed up in the letter of thanks to the Secretary of State. AM suggested she could, in her capacity as the new Chair of the College Board, also seek an appointment with her. With the benefit of a discussion it was agreed that in the first instance a letter from the Chair reinforcing the College’s message would be the right approach <b>(ACT68)</b>.</p> <p>Meanwhile lobbying would continue.</p>	<p>AM</p>	<p>17.10.17</p>
<p><b>9. CONSENT AGENDA</b></p> <p>Items in this section had been the subject of prior scrutiny by a Board Committee. The following items were considered on that basis and the recommended actions were agreed as follows:</p> <ul style="list-style-type: none"> <li>(i) <b>Scheme of Delegation (Paper 9.1)</b> - On the recommendation of the Search &amp; Governance Committee, the Board approved the updated Scheme of Delegation with immediate effect.</li> <li>(ii) <b>The National College for High Speed Rail Limited (Paper 9.2)</b> - The update on incorporation was noted.</li> <li>(iii) <b>Safeguarding &amp; Prevent Policy (Paper 9.3)</b> – On the recommendation of the Audit Committee, the Board approved the amended Terms of Reference with immediate effect.</li> <li>(iv) <b>Standing Orders (Paper 9.4)</b> - On the recommendation of the Search &amp; Governance Committee, the Board approved the updated Standing Orders with immediate effect.</li> </ul>		
<p><b>10. Any other business</b></p> <p>No items were raised.</p>		

<p><b>11. Date and time of next meeting</b></p> <p><b>Wednesday 13<sup>th</sup> December 2017</b> at the later time of 10.00 – 12.00 at NCHSR, Doncaster, with Members’ training to follow from 12.00 – 13.00. Members were invited to a buffet lunch to meet staff at the Doncaster campus at 13,00. A request was made for an Outlook Calendar invitation to be sent to confirm the revised timings <b>(ACT69)</b>.</p>	SBS	asap
<p><b>12. Calendar of Events (Paper 12)</b></p> <p>The Calendar was received.</p>		

The meeting ended at 16.35.

Signed .....

Date .....