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NCG

REPORT AND FINANCIAL STATEMENTS

31 JULY 2023

Carlisle college | Kidderminster College | Lewisham College | Newcastle College | Newcastle Sixth Form College | Southwark College | West Lancashire College

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS

BOARD OF GOVERNORS:

Peter Lauener (Chair) (Resigned in July 2023)
John Widdowson (Vice Chair until 31 July 2023. Appointed Chair August 2023)
Mark Squires
Caroline MacDonald (Term expired July 2023)
Jeannette Strachan
Andrew Cunningham
Chris McCourt
Rob Holt
Matthew Otubu
Shirley Atkinson
Liz Bromley
Chris Roberts (term expired September 2022)
Kevin Stach (appointed November 2022)
Jennifer Mitchelson (Resigned in October 2022)
Conor Allen (term expired March 2023)
Diana Wiedemann (term expired March 2023)
Tristan Jackson (appointed May 2023)

ADDRESS

NCG
Rye Hill House
Scotswood Road
Newcastle upon Tyne
NE4 7SA

Continued on next page

KEY MANAGEMENT PERSONNEL

Job Title	Name
Chief Executive Officer	Liz Bromley
Chief Finance Officer	Lisa Sproats
Chief Operations and Compliance Officer and Secretary to the Board	David Balme
Chief Information, Data and Estates Officer	Scott Mulholland
Executive Director of Quality	Steve Wallis
Executive Principal – Curriculum	Tony Lewin
Executive Principal – People and Culture / Interim Principal of Lewisham College	Gerard Garvey
Principal - Carlisle College	Sarah McGrath
Principal - Kidderminster College	Cat Lewis
Principal - Newcastle College	Scott Bullock
Principal - Newcastle Sixth Form College	Simon Ross
Principal - Southwark College	Jane Button

Resigned During the Academic Year	
Job Title	**Name**
Principal – West Lancashire College	Denise Williamson (Resigned March 2023)
Executive Principal – North	Grant Glendinning (Resigned August 2022)

PROFESSIONAL ADVISERS

INDEPENDENT AUDITOR

Mazars LLP
The Corner, Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 4BF

SOLICITORS

Muckle LLP
32 Gallowgate
Newcastle upon Tyne
NE1 1DF

BANKERS

HSBC Bank plc
City Branch
110 Grey Street
Newcastle upon Tyne
NE1 6JG

OTHER PROFESSIONAL ADVISERS

Internal auditors:	RSM Risk Assurance Services LLP
Data assurance auditors:	KPMG LLP
Insurance brokers:	Arthur J. Gallagher
Property valuers:	Lambert Smith Hampton and Sanderson Weatherall
Pension advisers:	Aon
Tax advisers:	Deloitte LLP

STRATEGIC REPORT

The Governing Body present their annual report together with the financial statements and auditor's report for NCG for the year ended 31 July 2023.

LEGAL STATUS

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting NCG. It is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

At the balance sheet date, NCG operates through the following colleges:

Carlisle College is a further education college based in Cumbria. It provides education and training, including vocational based learning, and delivers higher education programmes.

Kidderminster College is a further education college based in Worcestershire. The college provides technical and vocational education programmes and apprenticeships for young people, adult and community and High Needs Learners in the Wyre Forest and more widely across Worcestershire and the West Midlands.

Lewisham College is a further education college based in South East London, providing a wide range of vocational courses.

Newcastle College is a large general further education college comprising substantial education programmes for young people, adult and community, apprentices and High Needs Learners. The college also operates discrete higher education provision at its University Centre.

Newcastle Sixth Form College delivers A Level and GCSE courses.

Southwark College is a further education college based in central South London with modern facilities delivering technical training and vocational education from entry level to level 3 for adults and 16-18, including significant English, maths and ESOL provision for all learner types.

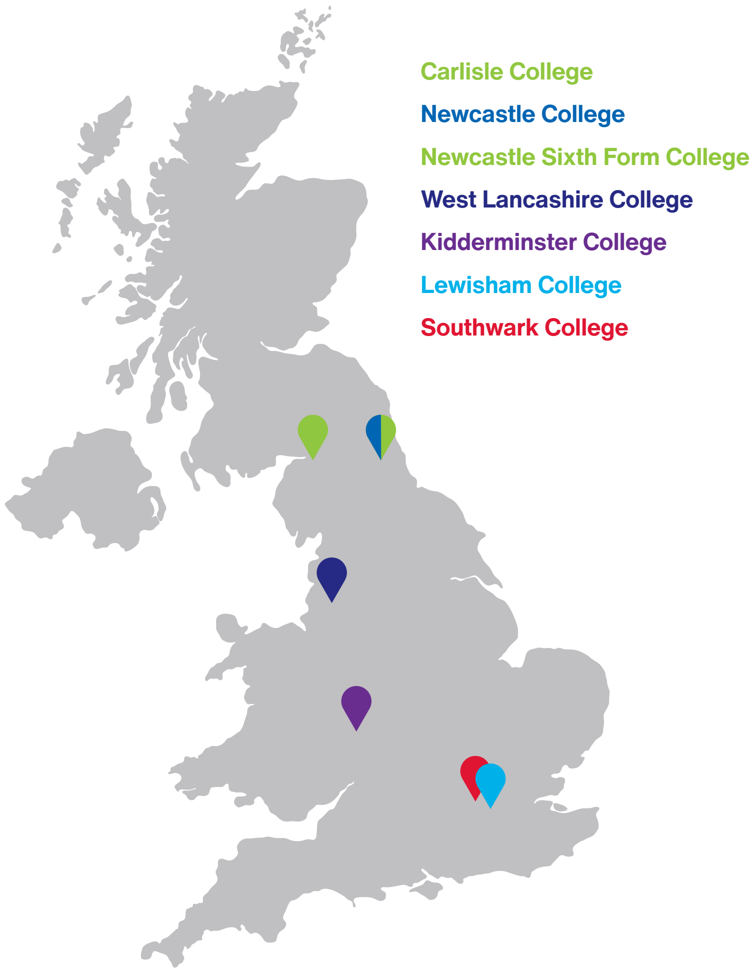
West Lancashire College is a further education college based in Skelmersdale, West Lancashire offering a range of school leaver, adult, apprenticeship and professional qualifications.

PUBLIC BENEFIT

NCG Corporation is regulated by the Secretary of State for Education as an exempt charity. The members of the Governing Body, who are trustees of the charity, are disclosed on page 2 and pages 27-29.

In setting and reviewing NCG's strategy, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its purpose, NCG provides identifiable public benefits which are covered throughout the strategic report.



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STRATEGIC REPORT

STRATEGY AND OBJECTIVES

NCG's Strategy to 2030 was launched in early 2020, setting out its mission to **"enable social mobility and economic prosperity through exceptional education"**. NCG's vision is **"to be the UK's leading educational group recognised for local impact, national influence and reach"**.

NCG's strategic goals are:

- ★ **Exceptional teaching, learner experience and outcomes**
- ★ **Innovative, relevant courses and qualifications**
- ★ **Ambitious and responsible educators and leaders**
- ★ **Outstanding digital and physical learning environments**
- ★ **Financial sustainability powering reinvestment**
- ★ **Impactful external engagement and civic commitment**

The implementation of the strategy has been supported by the approval of innovative curriculum strategies and strategic plans, linked to local needs, for each college. These strategic plans have targets that supplement the existing corporate key performance indicators (KPIs).

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STRATEGIC REPORT

STAKEHOLDERS

NCG has many stakeholders including:
Current, future and past learners
Colleagues and their Trade Unions (namely UCU and Unison)
The employers we work with
The professional organisations in the sectors we support
Partner schools and universities
The wider communities that we are based in
Local borough councils, combined authorities, Local Enterprise Partnerships and Chambers of Commerce that surround our colleges
Ofsted, the Education and Skills Funding Agency, the Office for Students, the Quality Assurance Agency and the Department for Education
HSBC, Lloyds Bank and Barclays Bank

STRATEGIC REPORT

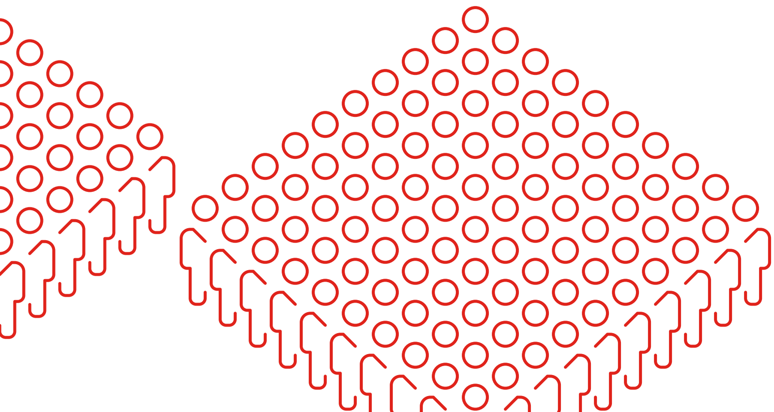
PEOPLE

NCG has a distinct set of organisational values.

We value and empower people by:

BEING BOTH INCLUSIVE AND DIVERSE	TRUSTING AND RESPECTING OUR COMMUNITIES
TAKING OWNERSHIP WHILST WORKING COLLABORATIVELY	INSPIRING EXCELLENCE AND CURIOSITY

- Values underpin the culture and beliefs of the organisation and foster a sense of pride in working for NCG.
- The values are supported by a clear set of employee behaviours that translate NCG's values into day-to-day actions and set the standard of how colleagues right across the organisation are expected to behave.



The Group employed 2,499 people (expressed using average headcount calculation) in 2023 (2022: 2,559) of whom 1,306 are teaching (2022: 1,354). The number of teaching staff includes those delivering all forms of training.

STRATEGIC REPORT

DEVELOPMENT AND PERFORMANCE

DEVELOPMENTS

The reclassification of the further education sector as part of the public sector has had a significant impact on how we plan our delivery of education going forward. Our strength as 'One NCG', focused on delivering social mobility and economic prosperity through exceptional education, has helped us think about how we capitalise on this shift. We have local operational plans in place, all in line with our Strategy Towards 2030, which ensure that, wherever we operate, we are fit for purpose, fit for place, and focussed on the communities we serve.

This has enabled us to focus on the delivery of high-quality learning opportunities by sharing the very best practice from across our colleges and the wider sector, using communities of practice. Our colleges now have a higher level of standardised processes which provide efficiencies. This has enabled our colleges to focus on the delivery of education and training to meet the skills needs for employment. The curriculum offer has been reviewed and realigned to the local and national skills priorities following the introduction of Local Skills Improvement Plans. NCG has also been successful in securing significant amounts of additional capital funding to support the development of the curriculum offer, the delivery of T Levels and Higher Education.

We supported the move to becoming 'one NCG' using the feedback from our annual Colleague Engagement Survey to identify the key issues to be addressed as part of our cultural change programme. The Leadership Hub has been a key vehicle for supporting this cultural change and continues to develop in strength and scope, its focus being to support our colleagues in their professional development at all stages of an individual's career, it does this through the delivery of bespoke training to current and aspiring leaders and managers across the organisation.

Careful management of our finances, particularly through cost control, and seeking opportunities for sustainable growth, has ensured we have a balanced budget, cash reserves, and a clear vision for an infrastructure plan to be delivered over the next ten years.

Our focus on performance and accountability will underpin our delivery for the coming year and will ensure that we are prepared for external inspection of our quality and standards, and for any opportunities that arise.

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STRATEGIC REPORT

DEVELOPMENT AND PERFORMANCE (CONTINUED)

DEVELOPMENTS (CONTINUED)

NCG has made progress in many areas:

- NCG's Higher Education (HE) provision has remained consistently good and improving, as indicated by the National Student Survey results. In 2023, NCG received confirmation that it had been successful in its bid to be granted Degree Awarding Powers on an indefinite basis. This was based on meeting the stringent threshold required as an independent awarding institution. Further detail is published in the HE Annual Review.

- Following the Ofsted visit in January, the final report was published in March 2022 and reported NCG to be 'good'; the judgement grades were 'good' in all areas of the provision, with the exception of apprenticeships, which 'requires improvement'. The grades were consistent with NCG's self-assessment in December 2022. The Group is again expected to self-assess at 'good' in December 2023.

- NCG will continue to work on a number of improvement themes throughout the 2023/24 academic year – notably to reduce the inconsistency in attendance rates, to address a dip in A Level performance (in part linked to national grade realignment, and the legacy of teacher-assessed grades), and to continue to improve NCG's apprenticeship provision.

- The Group will launch a new Curriculum and Quality Plan in October 2023 with the aim of establishing more consistency around the organisation, based on a number of professional expectations and standards. Work to review and streamline processes and associated policies will also continue, as leaders seek to reduce workload and improve efficiency.

Learner numbers for NCG are as follows:

	Year ended 31 July 2023 Total	**Year ended 31 July 2022 Total**
16-19 Classroom Learners	12,334	11,840
Classroom Based Adult Learners	14,767	14,224
Apprentices	1,662	1,864
HE Learners	2,433	2,397
	31,196	30,325

Achievement rates for 16-19 classroom learners was 82.4%, classroom based adult learners was 88.3% and apprentices were 54.6%.

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STRATEGIC REPORT

DEVELOPMENT AND PERFORMANCE (CONTINUED)

FINANCIAL RESULTS

The key financial performance indicators of NCG based on the Education and Skills Funding Agency (ESFA) financial health calculations are as follows:

	Year ended 31 July 2023	Year ended 31 July 2022
Current Ratio	1.42	1.37
EBITDA as a percentage of Turnover	4.45%	2.65%
Borrowing as a percentage of Turnover	7.33%	11.71%
Financial Health	Good	Requires Improvement

Financial Health has returned to 'Good' reflecting a strong performance across the year. Budget was achieved, cash position favourable and significant capital grants received will further strengthen the financial position into future years.

- Earnings before Interest Tax, Depreciation and Amortisation (EBITDA) increased to £6,271,000, compared to £3,492,000 in 2022. This improvement was largely due to a non recurring significant income provision made in 2022. Underlying performance across all colleges has improved reflecting the investment in and collective efforts across NCG further improving current year outturn.

- Group turnover from continuing operations increased from £136,563,000 in 2022 to £146,819,000 in 2023 primarily due to growth in the 16-19 contract, including an exceptional growth award in year due to the high levels of recruitment particularly in Newcastle College. Strong performance on the Greater London Authority adult contract had also contributed to the increased turnover. The Group has significant reliance on the ESFA for its principal funding source, largely from recurrent grants.

  > We continued to receive The Teachers' Pension scheme grant, this amounted to £2,760,000 in 2023 (2022: £2,192,000) this was to fund the significant contribution rate increase from 16.48% to 23.68% which occurred in September 2019.

  > Reconciliation thresholds on the Adult Education funding contracts remain. The under delivery versus contract is planned to be repaid to the ESFA in 2023/24.

  > Significant increase in the recruitment of international learners has further supported the income growth year on year.

Total expenditure of £153,553,000 comprising both operating and non operating/non cash items, has reduced compared to prior year by £580,000.

- Underlying operating expenditure has increased by £7,062,000, split between staff costs and other operating costs.

  > Staff cost increase of £2,051,000 included pay awards to staff, incremental salary increases, Real living wage increases, plus additional staffing requirement due to income growth. Offset with savings from staff efficiencies resulting from careful vacancy management but also impacted by the ongoing challenges of recruiting staff in the sector. The staff cost increase includes an additional one-off, non-budgeted payment made to staff to help cope with the current cost of living crisis being experienced across the country – this was possible as a result of careful cost control across the organisation.

  > Other operating expenses increased by £5,011,000 largely due to the increased cost of utilities, costs associated with delivering grant funded projects and the impact of the high levels of inflation experienced all year.

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STRATEGIC REPORT

DEVELOPMENT AND PERFORMANCE (CONTINUED)

FINANCIAL RESULTS (CONTINUED)

- Non operating/non cash adjustments have more than offset the above increases and have reduced total expenditure by £7,642,000, this is largely due to positive pension fund valuations, with a small decrease in depreciation charge of £163,000.

    > The remaining £7,479,000 relates to movement in the pension fund valuations. This is split between a reduction in service charge of £5,624,000 and interest of £1,855,000 for the LGPS pension schemes where the accounting valuations are reporting a surplus instead of being in deficit.

- All of the above have resulted in a decrease in the deficit before tax to £6,884,000 from £17,185,000 in 2022. Whilst the non-cash items have been the significant driver in the reduction of the deficit, stronger operational performance has also been a contributing factor which has also had a positive impact on cash position.

- NCG has a strong asset backed balance sheet. After deducting the defined benefit pension deficit NCG has accumulated reserves of £161,732,000 (2022: £165,430,000). These accumulated reserves are largely tied up in tangible fixed assets to be used for the benefit of our learners.

- Due to market conditions at the year-end, both Local Government Pension Schemes have been valued as showing an accounting surplus. NCG does not consider that the surplus will be recovered through reduced contributions in the future or through refunds from the plan and therefore this surplus has not been recognised in the financial statements. The Defined Pension Benefit Liability is now £nil (2022: £1,118,000) at the balance sheet date.

CAPITAL EXPENDITURE

Following successful funding bids, NCG was able to invest in curriculum equipment, across FE and HE. Digital spaces to support learners were created and industry standard equipment invested in to prepare learners for employment.

Current year activity can be summarised as follows:

NCG invested £7,225,000 in capital expenditure in 2023 (2022: £5,902,000). The principal schemes were:

	2023 £000	2022 £000
IT infrastructure and systems	1,783	859
Curriculum equipment	2,498	1,227
Kidderminster Skills Centre	435	156
OfS HE grant equipment	1,632	1,747
Upgrades to property, plant and equipment	877	1,913
	7,225	5,902

Despite the continued pressure on funding which has been experienced in recent years, NCG continues to invest cautiously in capital projects to maintain standards.

Investment in colleague mobile equipment continued with £1,200,000 to support agile working on and offsite.

Significant capital funding was also received in year to support investment, including £1,600,000 of OfS funding to invest in equipment for HE learners. This was fully committed in year, towards IT equipment, ensuring benefit to the learners for the new academic year.

Continued on next page ↓

STRATEGIC REPORT

DEVELOPMENT AND PERFORMANCE (CONTINUED)

TREASURY POLICIES AND OBJECTIVES

Treasury management is the management of NCG cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

CASH FLOWS AND LIQUIDITY

Cash flow generated in the year from operating activities amounted to £9,901,000 (2022: £8,914,000).

Closing cash balance of £28,708,000 (2022: £15,345,000) included £5,013,000 held on short term deposit (2022: £6,894,000).

In addition to this closing cash balance, a further £9,724,000 was held in investment accounts (2022: £9,506,000), resulting in total cash and cash investments of £38,432,000 (2022: £24,851,000).

The size of NCG total borrowing and its approach to interest rates has been calculated to ensure an appropriate cushion between the total cost of servicing debt and cash flow available for debt servicing. Total bank debt was £10,406,000 (2022: £15,432,000).

Continued on next page

STRATEGIC REPORT

FUTURE PROSPECTS

Our key themes this year are Performance and Accountability. This means expectations for excellent performance, both in the classroom and in our professional services, and being accountable for what we do. Our Leadership Hub, which continues to underpin our professional development, encourages all colleagues to be proud of being accountable for their responsibilities and for doing the best they can at all times.

One NCG is supported by a strong values system, a commitment to our projects of being 'Brilliant at the Basics' and 'Ambitious for Outstanding' and is consistently committed, across the Group, to changing the lives of our learners through academic and vocational qualifications which range from an introduction to the English language, to Masters programmes delivered by our University Centre.

NCG's educational ambitions, combined with careful management of resource, and commitment to our people, puts us in a strong position to face the ongoing challenges of political change, economic uncertainty, and the consequences of belonging to the public sector again.

FINANCIAL SUSTAINABILITY

The Corporation Governors approved a financial plan in July 2023 which sets objectives for the period to 2025. This was based on individual business plans developed by each college and professional service, consolidating into one, overarching NCG plan. This demonstrated that financial health would remain 'Good', robust EBITDA generation resulting in strong cash reserves will support the investment in people and infrastructure in the coming years to ensure the best possible experience for our learners.

Financial opportunities that have been identified are as follows:

- Demographic growth will provide the opportunity to further grow our 16-19 provision, this will contribute positively to our EBITDA.
- Focus on adult provision ensuring local skills needs are met should provide further opportunity to maximise the funding available across all regions in which we operate.
- Opportunities to increase HE provision are already increasing now that IDAP has been secured, current year budget includes a prudent amount of delivery but it is recognised to be a significant potential for in year and future growth. In addition, there is potential for further expansion of provision to international learners following the trend which has been experienced in recent years.
- Now that the bidding team is well established and demonstrated success in 2022/23 careful and relevant growth will be a driving theme in 2023/24 and beyond.
- The recently announced additional funding from central government should ensure that the meaningful pay award we will be able to offer will be well received by colleagues and unions. This will enable a year without the disruption of the strikes experienced in 2022/23.
- The People Plan launch is expected to start having a positive impact on the recruitment and retention for staff which will further strengthen the organisation.
- NCG has developed an infrastructure plan to support its Strategy to 2030. This plan outlines capital requirements for both physical and digital estate. Capital grants and stronger financial performance have been a significant enabler in the delivery of the first stages of the plan this year and as further capital receipts are realised further progress will be made which will ensure we have a learning environment to support our mindset of ambitious for outstanding.

STRATEGIC REPORT

RESERVES POLICY

NCG has implemented a formal reserves policy which was approved at the July 2023 Corporation meeting.

It is the view of the executive and governors that the most appropriate basis for NCG's reserves policy is managed cash and investments (Cash Reserves). NCG will hold cash reserves equal to a minimum of 25 days operational requirements however, in order to remain financially sustainable, the standard target will be to hold 41 days' worth.

Cash days at 31 July 2023 was 105 days (2022: 70 days).

Included within cash and cash equivalents is £12,273,000 of capital grant funding received but not yet spent.

STRATEGIC REPORT

ENVIRONMENT, SOCIAL AND GOVERNANCE

COMMUNITY

NCG's impact on society comes naturally from operating as a high-quality provider of education and training in the heart of communities across England. In addition, NCG makes a significant contribution to many local and national initiatives through the work we do, including:

- A curriculum and support offer to learners that is bespoke to the social and economic demands of the local communities where NCG colleges are located.
- A curriculum developed in response to the green agenda, alongside the use of renewable energy and continued contribution to Net Zero targets through our own Sustainability Strategy.
- The engagement of learners and colleagues with volunteering opportunities, and participation in projects for national and local charities and public benefit organisations.
- Participation of all colleges in key local strategic groups and partnerships.
- The promotion of healthy living amongst learners, colleagues and the local community, and making resources and support available to improve mental health and wellbeing.
- Sponsorship of local and national projects and events.
- The promotion of diversity, tolerance, and acceptance of different beliefs.
- The utilisation of creative and performance learners for the benefit of our local communities.
- Collaboration with other educational organisations to promote learning and improve skills in the local community.
- Fundraising events for the benefit of charities and good causes.
- Offering the use of college facilities to local groups and societies.

ADDRESSING ENVIRONMENTAL IMPACT

The following has been undertaken during 2022/23:

- NCG adopted the Environmental Association for Universities & Colleges (EAUC) roadmap to Net Zero. Our performance toward achieving Net Zero will be measured across our built estates and within our curriculum.
- NCG now has a dedicated Curriculum Sustainability Co-ordinator in post, supporting, embedding, and delivering sustainability targets within our curriculum, and working closely with Estates in the development and delivery of the Net Zero roadmap.
- Successfully awarded Salix funding for the decarbonisation of Kidderminster College in the form of air source heat pumps (ASHPs) to replace the gas fired boilers, photovoltaic panels (PVs), increased fabric insulation and replacement LED lighting measures.
- Working in partnership with Newcastle City Council to decarbonise the Newcastle campus, and working toward connecting the majority of the buildings into the next stage of the city-wide district heat network.
- Significant investment identified as part of the Infrastructure Plan to address environmental measures as part of the recent capital allocations (FE Capital transformation Fund, Estates Condition as part of reclassification and Energy Efficiency funding).

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STRATEGIC REPORT

ENVIRONMENT, SOCIAL AND GOVERNANCE (CONTINUED)

PROMOTING EQUALITY AND VALUING DIVERSITY

The NCG Strategy Towards 2030 articulates our intention to deliver exceptional education as a diverse and ambitious learning organisation, to enable social mobility and economic prosperity for those whom we serve. Threaded throughout all that we do is our commitment to Equality, Diversity, Inclusion and Belonging – EDIB.

Threaded throughout the Group's teaching, learning, and operations is a steadfast commitment to Equality, Diversity, Inclusion and Belonging– EDIB. This means equality of opportunity to NCG's learners, students, apprentices, staff and local communities;
an understanding of the rich experience gained from a diverse learner body and similar diversity in the staffing base; a culture that is inclusive; welcoming people from any and all backgrounds and life experiences, respectful of the differences people bring to NCG's communities, and acknowledging that there is much to learn from being both inclusive and diverse.

In 2020 NCG commissioned an external review of all policy and practice to distinguish the significant difference between an 'EDI compliant' organisation, and embedded cultural best practice which drives EDIB awareness through everything all activities and operations.

The recommendations from this external review were subsequently adopted into a new EDIB Strategy and EDIB Policy. The EDIB Strategy, EDIB Policy and annual report are available on the website at https://www.ncgrp.co.uk/aboutncg/equality-diversity-inclusion-and-belonging/

NCG seeks to achieve the public sector equality duty (PSED) as set out in the Equality Act 2010 though an Equality, Diversity, Inclusion and Belonging (EDIB) Policy. In practice this means:

- All policies are checked for the impact on protected characteristics, including disability.
- A working group continues to monitor the efficacy of the policy, to advise on continuous improvement and support knowledge share. All colleges have a designated senior leader for EDIB, a link corporation governor also attends.
- College leads are required to formally produce an EDIB action plan, which is approved by the College Board annually.
- All staff are required to undertake mandatory EDIB training, incorporating disability awareness.
- Power BI dashboards are in operation to check for student attainment gaps, these are actions accordingly. The annual self-assessment report makes clear any ongoing attainment gaps.

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STRATEGIC REPORT

ENVIRONMENT, SOCIAL AND GOVERNANCE (CONTINUED)

PROMOTING EQUALITY AND VALUING DIVERSITY

- Policies for staff and learners make clear where special adjustments are required, specialist equipment is provided were required.
- Policies for admissions, attendance, learner progress, safeguarding, teaching, and learning make explicit reference to protected characteristics.
- All colleges have specialist staff to support learners with physical, sensory, emotional, and learning difficulties. Detailed education, health, and care plans are in place and are followed.
- There are clear pathways to access welfare support for staff and students. This ranges from ad-hoc support for mental fitness via an app, to specialist counselling and advice services.
- Safeguarding designated leads are trained to triage referrals and consult with external agencies were required.
- The Group operates a safeguarding and welfare platform for recording all interventions and update notes.
- The Group's subcontracting framework has explicit considerations for EDIB and furthering opportunity for under-represented groups of people.
- Learner support funds are deployed compliantly where funding is required to support learning.

STAFF, STUDENT AND CUSTOMER INVOLVEMENT

NCG's Group Communications Team oversees strategic and incident related communications across the Group. Public Relations or Marketing Officers have been established within NCG's colleges to underpin and promote strategic and operational communications across NCG. NCG engages with staff through recognised Trade Unions, Staff Forums, an annual Colleague Engagement Survey, and a range of informal mechanisms for consulting with and listening to staff.

Students' and customers' views continue to be sought regularly via a variety of evaluation surveys. The Corporation receives an annual report, summarising feedback - this is supplemented by quarterly updates. Additionally, there are regular and timely Learner Forums across NCG to enhance communications between learners and colleges. Students are encouraged to participate in local community and national activities through the National Union of Students, which NCG promotes by supporting, administering, and subsidising the Students' Union in Newcastle.

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

NCG monitors and manages its risks carefully.

NCG is committed to an inclusive approach to the identification and management of risk throughout NCG and agrees that the key risks should be closely monitored and mitigating actions taken wherever possible. The Group has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect NCG's assets and reputation.

MARKET AND POLITICAL RISKS

Risk description and impact	Mitigation of risk
Learner Recruitment Risk of the Group failing to achieve its learner recruitment targets.	Significant work is undertaken within each of the colleges to achieve the recruitment targets. Enrolment figures are regularly reported to senior teams and to local College Boards. In addition, a regular review is undertaken to challenge the appropriateness of the current curriculum offering, refreshing it as needed.
Political Change Risk that the Group fails to influence and / or respond to political change.	Senior staff from across the Group interact regularly with politicians and other individuals within the political sphere, with the purpose of benefitting our learners. Government policy is monitored and reported across the business with an executive focus being applied for more strategic changes.
Curriculum Offer Risk that NCG curriculum offer does not match local, national and regional priorities. Risk that curriculum design becomes outdated and prevents learners securing their intended destinations.	NCG has a dedicated Curriculum Strategy Group to oversee the effectiveness of the curriculum offer across the Group. Local Accountability Plans have been rolled out across all colleges and clearly demonstrate the way curriculum meets local / regional / national needs. The NCG Guarantee also operates and offers a commitment to our learners that our courses, additional support services and enrichment activities will equip them with a wider set of skills, all of which aim to make the learner more employable.

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STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

OPERATIONAL RISKS

Risk description and impact	Mitigation of risk
Major Incident There is the risk that the Group is involved in a major incident such as a health and safety incident, an act of terrorism, a major safeguarding issue, the loss of one or more locations, significant data breach or loss of IT.	The Group is currently reviewing its approach to Business Continuity Planning, which will lead to a refresh of its existing recovery plans. A Business Continuity Management Framework was recently introduced to govern our operations in this area. This, along with continued investment into IT and operational infrastructure, will allow continued confidence in our recovery arrangements.
Cyber Attack NCG operations are severely compromised by cyber-attack resulting in loss of critical business systems.	NCG is actively working towards securing accreditation to the Cyber Essentials standard following implementation of new security features, including new firewalls, multifactor authentication for all users and Office 365. A training and development campaign is underway to raise the level of awareness across all staff of the risks presented by phishing attacks. We regularly test our cyber incident response plans, which aid and inform our readiness to respond in the event of an incident.
Customer Expectations Risk that the Group fails to deliver a product that meets or exceeds the expectations of its customers.	Regular customer satisfaction surveys are undertaken and reported across management and to the Governors. Where areas of weakness are identified formal work plans are established to address them. Students and staff representatives are appointed to Corporation and to College Boards to provide an opportunity for the voice of our students and staff to be heard.
Quality and Performance of our Education and Training Risk that the Group fails to establish and maintain an appropriate level of education and training which is delivered at expected quality and performance levels.	Significant work is undertaken by a dedicated Quality team overseen by the Executive Director – Quality. Regular reporting of performance data is undertaken for audiences ranging from academic colleges to members of Corporation Board. NCG was awarded 'Good' status following an Ofsted inspection in January 2022.

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STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

OPERATIONAL RISKS (CONTINUED)

Risk description and impact	Mitigation of risk
Property Infrastructure Risk that the Group fails to maintain and develop its infrastructure in line with regulatory requirements and customer expectations. Risk of damage or loss of property.	Estates strategies are being updated for the colleges to provide a future focus around the Group's property investment requirements. This work will ensure infrastructure is fit for purpose, maximises returns and relates to future academic and operational need. The Group maintains adequate insurance for all property within the estate. A dedicated Estates Committee is in operation. NCG has completed Reinforced Autoclaved Aerated Concrete (RAAC) surveys across all college premises both owned and leased which was completed in October 2023. We can confirm that the surveys were undertaken in accordance with the DFE guidance issued on 29 August 2023 through an appointed competent contractor. No RAAC has been detected in any NCG properties.
Staffing Risk that the Group fails to attract and retain appropriate staff. Risk the Group fails to establish / maintain an appropriate culture.	Management and governors monitor staffing trends, taking steps to address any identified weakness. An annual survey is undertaken to collect the views of staff with the results being used as the basis for establishing future engagement priorities. Formal policies regarding the wellbeing of staff are established and embedded across the business. The Leadership Hub continues to operate with the purpose of focusing on the ongoing professional development of NCG staff. The Group has clearly established and publicised values that form the basis of NCG's operating culture. Whilst the look and feel of the colleges may vary, all are based on these core values. A new 'Executive Principal – People and Culture' role has been established.
Stakeholders / Partners Risk the Group fails to maximise the benefit of stakeholders / partners.	NCG continues to prioritise meaningful engagement with its stakeholders to maximise reach and impact. This will be developed further over the coming period as a result of 'Duty to Review'. Senior staff from across the Group are involved with regional and national bodies. These include funders and politicians through to strategic partners. This allows access to opportunities to be identified and maximised, supporting the success of NCG.

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STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

FINANCIAL RISKS

Risk description and impact	Mitigation of risk
Liquidity Risk that the Group cannot fulfil its obligations as they fall due.	A large proportion of NCG's cash flows are very predictable due to the fixed nature of costs and income. Management maintains regular cash flow forecasts and bank covenant forecasts to assess the level of liquidity risk. NCG has adequate levels of cash. Short term deposits are also used to manage liquidity.
Credit Risk that debtors are not recoverable.	A significant proportion of NCG's income is received from the ESFA, OfS and the Student Loans Company (SLC) who are not considered a credit risk. Amounts due from individual learners and companies are regularly monitored with a standard credit process followed. Learners are not permitted to continue with their learning after a period of time where their fees have not been paid.
Interest Rate Risk that interest rate increases create additional funding costs to the Group.	44% of NCG's long-term borrowing is on fixed rate terms – leaving a manageable 56% on floating rates. Management model the effect of increasing interest rates as part of cash flow forecasting when assessing liquidity risks.

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STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

COMPLIANCE RISKS

Risk description and impact	Mitigation of risk
External Compliance and Validation Risk that the Group fails to reach the standards required for external compliance and suffers reputational and / or financial damage as a result.	Responsibilities for external compliance are clearly assigned across NCG. Requirements are subject to regular in-house checking and our approach to each is supported by written guidance. Sector experts are used to advise on policy and approach.
Learner Records Risk that learner records are not maintained to the quality required by funding bodies resulting in funding clawback and/or intervention.	A centralised Learner Data Services team is in operation with a remit for ensuring compliance with externally specified requirements. Procedures are in place and training is in place for all colleagues involved with learner records. Weekly and monthly compliance reporting is in place to highlight any anomalies in learner records. Annual mock funding audits are carried out by a specialist data assurance partner. Relevant management information in relation to funding data compliance is shared with Audit and Risk Committee on a regular basis.

Based on our strategy, a comprehensive review of the risks to which NCG is exposed has been undertaken. This identifies systems and procedures, including specific preventable actions, which should help mitigate any potential impact on NCG. The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

Consideration is also given to any risks that may arise because of a new area of work being undertaken by NCG. A risk register is maintained at Group level which is reviewed at least quarterly by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on NCG and the actions being taken to mitigate these risks. The Corporation reviews the risk management policy each year and reviews strategic risks on a rolling basis within each year.

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STRATEGIC REPORT

TRADE UNION FACILITY TIME

KEY PERFORMANCE INDICATORS

The colleges key performance indicators, results and targets are set out below.

	2023	2025	2030
Overall Effectiveness (Ofsted)	Good	Outstanding	Outstanding
Sustained Student Destinations*	90%	93%	95%
Learner Satisfactions**	91%	93%	95%
Colleague Engagement	7.3	7.5	Above 7.5
% Reduction in carbon footprint across our estate and activity compared to the agreed baseline***	30%	45%	50%

*Sustained Destinations – this measure relates to % of learners who left the year previous and have subsequently stayed in a positive destination (FE, HE, apps, employment) for more than six months.

**Learner Satisfaction – percentage of learners who state they are satisfied with the college (sources – first term survey, exit survey, apprenticeship survey)

***Baseline is set as the combined carbon footprint in 2018/19 - 8,380.96 tonnes.

For first 2 points, we aim to achieve 95% confidence at an error of 2%

DISCLOSURE OF INFORMATION TO THE AUDITOR

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which NCG's auditor is unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the NCG auditor is aware of that information.

STRATEGIC REPORT

TRADE UNION FACILITY TIME (CONTINUED)

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require NCG to publish information on facility time arrangements for trade union officials at NCG. The following relates to NCG from 1 April 2022 to 31 March 2023 which is the reporting period required (and 1 April 2021 to 31 March 2022 for comparison).

	Year ended 31 March 2023	Year ended 31 March 2022
Relevant Union Officials during the period		
Number of employees	21.0	16.0
Full-time equivalent number of employees	18.7	15.0
Percentage of time spent on facility time		
21 employees who were relevant Union Officials spent between 1 and 50% of their working hours on facility time (2022: 16 employees).		
Percentage of pay bill spent on facility time		
Total cost of facility time (£000's)	39	28
Total pay bill (£000's)	101,010	95,412
Percentage of total bill spent on facility time	0.04%	0.03%
Time spent on paid Trade Union activities as a percentage of total paid facility hours		
Total paid facility hours	2,302.6	1,589.7
Total Union activity hours	211.5	132.5
Percentage of facility hours spent on Union activities	9.19%	8.33%

SUPPLIER PAYMENT POLICY AND PRACTICE

The Late Payment of Commercial Debts (Interest) Act 1998 requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the accounting period 1 August 2022 to 31 July 2023, NCG paid 92.45% (2022: 92.92%) of its invoices within 30 days. NCG incurred £8,153 of interest charges in respect of late payment for this period (2022: £438).

Approved by order of the members of the Corporation on 19 December 2023 and signed on its behalf by:

John Widdowson

John Widdowson
(Chair of the Corporation)

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of NCG's annual report and accounts to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

NCG endeavours to conduct its business:

i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

ii. having due regard to the Association of Colleges Code of Good Governance for English Colleges (the Code).

The Corporation is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the Corporation has adopted and applied by the College's code. The UK Corporate Governance Code 2018 has not been adopted; however, the Group's Corporate Governance arrangements have been reported by drawing on best practice available, including those aspects from the UK Corporate Governance Code 2018 considered relevant to the FE sector and best practice. In general, the approach has been to follow the relevant provisions of the Code insofar as it is applicable to the further education sector and practical in the NCG context. For example, alternative approaches to a provision within the UK Corporate Governance Code was the appointment of a Vice-Chair to support the Board and to act in the absence of the Chair. The Chief Executive, as Accounting Officer, has formal accountability in relation to Government funding.

NCG Corporation is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

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THE CORPORATION

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below.

Name	Appointment	End of Appointment	Category of Appointment	Reappointment Details	Committees Served
Peter Lauener	Mar 18	Mar 26	Chair of Governors	Mar 22 – Mar 26 (4 years) Resigned July 2023	• Appraisal and Remuneration Committee • Search Committee • Estates Committee
Chris Roberts	Sep 14	Sep 22	Independent Governor	Sep 14 – Sep 15 (1 year) Sep 15 – Sep 19 (4 years) Sep 19 – Sep 22 (3 years)	• Search Committee (Chair) • Estates Committee
Caroline MacDonald	Jun 14	Jul 23	Independent Governor	Jun 14 – Jun 15 (1 year) Jun 15 – Jun 19 (4 years) Jun 19 – Jun 22 (3 years) Jun 22 – Jul 22 (1 month) Jul 22 – Jul 23 (1 year)	• Appraisal and Remuneration Committee • HE Governance Committee (Chair) • Search Committee
Mark Squires	Nov 16	Nov 23	Independent Governor	Nov 16 – Nov 19 (3 years) Nov 19 – Nov 23 (4 years)	• Appraisal and Remuneration Committee (Chair) • Audit and Risk Committee • Search Committee • Estates Committee
Jeannette Strachan	Feb 20	Feb 24	Independent Governor	N/A	• HE Governance Committee • Audit and Risk Committee

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THE CORPORATION (CONTINUED)

Name	Appointment	End of Appointment	Category of Appointment	Reappointment Details	Committees Served
Andrew Cunningham	Jun 20	Jun 24	Independent Governor	N/A	• Audit and Risk Committee (Chair) • Appraisal and Remuneration Committee
Chris McCourt	Jun 20	Jun 24	Independent Governor	N/A	• Audit and Risk Committee • Appraisal and Remuneration Committee
Robert Holt	Jun 20	Jun 24	Independent Governor	N/A	• Estates Committee (Chair)
Matthew Otubu	Jun 20	Jun 24	Independent Governor	N/A	• HE Governance Committee
Shirley Atkinson	Jun 20	Jun 24	Independent Governor	N/A	• HE Governance Committee • Search Committee
John Widdowson	Sep 20	Sep 24	Independent Governor and Vice Chair	Appointed to Chair of Governors Aug 23	• HE Governance Committee • Estates Committee • Appraisal and Remuneration Committee
Kevin Stach	Nov 22	Nov 24	Staff Governor	N/A	• None
Tristan Jackson	May 23	May 24	Student Governor	N/A	• None
Jennifer Mitchelson	Feb 20	Oct 22	Staff Governor	Resigned Oct 22	• None

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THE CORPORATION (CONTINUED)

Name	Appointment	End of Appointment	Category of Appointment	Reappointment Details	Committees Served
Conor Allen	Mar 22	Mar 23	Student Governor	N/A	▪ None
Diana Wiedemann	Mar 22	Mar 23	Student Governor	N/A	▪ None
Liz Bromley	Aug 19	N/A	CEO (Ex-Officio)	N/A	▪ HE Governance Committee

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THE CORPORATION (CONTINUED)

The Corporation formally met nine times during the year (eight meetings and one Board Strategy Day):

Further information about members of the Corporation is available in the Guide to Information on NCG's website at http://www.ncgrp.co.uk/guide-to-information

Governor	Meetings attended	Out of a possible
Peter Lauener, Chair*	4	9
John Widdowson, Independent Governor	8	9
Chris Roberts, Vice Chair	1	1
Mark Squires, Independent Governor	7	9
Caroline MacDonald, Independent Governor	9	9
Jeannette Strachan, Independent Governor	7	9
Andrew Cunningham, Independent Governor	7	9
Chris McCourt, Independent Governor	7	9
Robert Holt, Independent Governor	8	9
Matthew Otubu, Independent Governor**	5	9
Shirley Atkinson, Independent Governor	8	9
Kevin Stach	2	7
Tristan Jackson	2	3
Jennifer Mitchelson, Staff Governor	2	2
Conor Allen, Student Governor	5	6
Diana Wiedeman, Student Governor	5	6
Liz Bromley, CEO	9	9

*Leave of absence from January 2023 – July 2023.
**Leave of absence from January 2022 – February 2023.

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THE CORPORATION (CONTINUED)

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Chief Executive makes proposals on strategy and is responsible for the organisation, direction and management of the institution and leadership of the staff.

The Corporation is provided with regular and timely information on the overall financial performance of NCG, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

The Corporation conducts its business through a number of committees. Each committee has Terms of Reference, which have been approved by the Corporation. These committees are Appraisal and Remuneration, Search, Audit and Risk, HE Governance, Estates, and Local College Boards. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at:

NCG
Rye Hill House
Scotswood Road
Newcastle upon Tyne
NE4 7SA

clerk@ncgrp.co.uk

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at NCG's expense and have access to the Clerk to the Corporation, who is responsible for advising the Corporation with regard to the operation of its powers, procedural matters, the conduct of its business and matters of governance practice. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

The Corporation has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Corporation considers that each member is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Chief Executive are separate.

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APPOINTMENTS TO THE CORPORATION

Any new independent appointments to the Corporation / College Boards are a matter for consideration by the Search Committee, prior to Corporation approval.

The Corporation has a Search Committee, consisting of four members of the Corporation plus a co-opted College Board member, who are responsible for advising on the appointment of all governors except staff and student members who are nominated by election.

The Search Committee met twice during the year. There were also occasions between meetings where electronic approval was sought. The members of the Search Committee were as listed in the following table:

Governor	Meetings attended	Out of a possible
Mark Squires	2	2
Caroline MacDonald	2	2
Peter Lauener*	0	2
Shirley Atkinson	2	2
Darren Crossley (co-opted College Board Member)	1	2

*Leave of absence from January 2023 – July 2023.

The Corporation seeks candidates for membership who have the necessary skills to ensure that the Corporation carries out its functions and welcomes opportunities to enhance the diversity of its membership.

The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a four-year term of office, with an option to be reappointed for a second four-year term. A one-year extension may be offered in exceptional circumstances, in consideration of institutional memory and business needs. The Chief Executive is an ex-officio member and will remain so for the duration of their service within this role.

LOCAL COLLEGE BOARDS

Each college has their own Local College Board which is a committee of the Corporation. Each Board consists of:

- College Principal
- A student member
- A staff member
- A parent member (Newcastle Sixth Form College only)
- At least six independent members

The College Boards normally meet six times per year (as per their Terms of Reference) and follow a work plan set up for them which is derived from the Scheme of Delegation.

The members who served on the Local College Boards during the year and up to the date of signature of this report were as listed in Appendix 1.

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LOCAL COLLEGE BOARDS (CONTINUED)

QUALITY AND CURRICULUM AT LOCAL BOARD LEVEL

The Local College Boards are responsible for reviewing and locally approving the academic quality and curriculum strategy for their colleges. The College Board is able to assure themselves, and the Corporation Board, that the curriculum strategy is current and appropriate for the needs of the learners, local community, local and regional employers, and is aligned to areas of national skilled demand based and aligned to the college resource / expertise.

To allow the College Board to do this, they are presented with a Quality report at each of their meetings. They are also involved in the SAR process which takes place towards the start of each academic year.

In terms of HE (where applicable), the College Boards are responsible for reviewing and approving the HE Annual Report. As a monitoring check, the College Boards review the HE Improvement Plan at two points across the year.

In 2022/23 College Boards also reviewed and approved their local Accountability Statement which formed the basis of the over-arching NCG Accountability Statement. In this way, the College Board can be assured that the education and skills provision is responsive to the needs of employers and the local economy.

FINANCE AT LOCAL BOARD LEVEL

Following a review of the remit of College Boards, although College Boards still monitor financial performance via a specific update provided at three points throughout the year and the proposed budget being shared with them, they are not asked to approve any financials. This is instead reserved for the Corporation Board.

APPRAISAL AND REMUNERATION COMMITTEE

The Appraisal and Remuneration Committee comprises five members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of Senior Post Holders (SPHs), including the Chief Executive and Clerk to the Corporation.

The Appraisal and Remuneration Committee met on two occasions during the year. The members of the Appraisal and Remuneration Committee were as listed in the table below.

Governor	Meetings attended	Out of a possible
Mark Squires (Chair of Committee)	2	2
Caroline MacDonald	2	2
Peter Lauener *	1	2
Andrew Cunningham	2	2
Chris McCourt	2	2

*Leave of absence from January 2023 – July 2023.

Details of remuneration for the year ended 31 July 2023 are set out in note 8 to the financial statements.

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AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises of four independent members of the Corporation, plus a co-opted College Board member. The Committee meets at least three times a year and provides a forum for reporting by NCG's internal and financial statement auditors, who can have access to the Committee for independent discussion. The Committee operates in accordance with written terms of reference, approved by the Corporation, which encompass reports from the main funding bodies as they affect NCG's business.

The Committee met six times during the year. The members of the Audit and Risk Committee who served during the year were as listed in the table below.

Governor	Meetings attended	Out of a possible
Andrew Cunningham (Chair of Committee)	6	6
Mark Squires	5	6
Chris McCourt	4	6
Jeannette Strachan	6	6
Jack Garrett	4	6

NCG's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee has considered the financial statements auditor's findings in relation to the financial statements.

The Audit and Risk Committee assesses the performance of the internal and financial statements auditors annually in relation to quality and value.

The Audit and Risk Committee is responsible for advising the Corporation on the appointment or reappointment of the auditor. The Audit Committee also advises the Corporation on the remuneration of internal and financial statements auditors. The Audit Committee recommended the reappointment of the auditors (Mazars) for an additional 12-month period during the 2022-23 financial year.

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HE GOVERNANCE COMMITTEE

The HE Governance Committee comprises of seven members, including four independent members of the Corporation, the Chief Executive Officer (who also Chairs the Academic Board), a student representative and a co-opted College Board member with Higher Education expertise. The Committee met four times this year. The Committee provides a forum to consider and challenge assurance that the academic governance of Higher Education provision is effective, receive and comment on assurance and audit reports relating to Higher Education processes and functions and closely monitor the strategic development of Higher Education provision across the Group. The members that served on the committee during the year are listed in the table below.

Governor	Meetings attended	Out of a possible
Caroline MacDonald (Chair of Committee)	4	4
Jeannette Strachan	1	4
Shirley Atkinson	4	4
John Widdowson	4	4
Liz Bromley	2	4
Jonathan Eaton (co-opted College Board member)	3	4
Mathew Scott Davies (Student representative, appointed March 2023)	2	2

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ESTATES COMMITTEE

The Estates Committee comprises of five independent corporation members. The Committee met four times during the academic year. The purpose of the Committee is to oversee the development and progress of the NCG Estates and Environmental Strategies, as well as monitor and seek assurance on relevant Estates, Health and Safety and Environmental matters. The members that served on the committee during the year are listed in the table below.

Governor	Meetings attended	Out of a possible
Rob Holt (Chair)	3	4
Peter Lauener*	1	4
John Widdowson	3	4
Mark Squires	4	4

*Leave of absence from January 2023 – July 2023.

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TRAINING AND DEVELOPMENT

TRAINING AND DEVELOPMENT UNDERTAKEN BY GOVERNORS

Online Cross-Group training was offered to all governors in the following areas:

- Safeguarding
- Risk Management

Sessions were recorded and made available to governors who were unable to attend. Governors are also made aware of additional training and development opportunities through communications briefings pointing governors to the relevant training (e.g opportunities specific to Chairs, staff / student governors etc). Chairs and Principals are invited to attend their regional AoC forum events for Chairs and Principals.

A new Governor Induction, Development and Performance policy was endorsed by the Search Committee and approved by the Corporation Board in July 2023.

Upon appointment, all governors are provided with a governor induction by the Secretary to the Board. Sessions are held on a one-to-one basis, unless there are a number of governors starting at the same point in time.

NCG also held a governor's conference on 13 / 14 June 2023, open to all governors, to focus on the following themes:

- Changes in the Sector
- The Impact of Reclassification
- College Board Accountability Statements
- Governance Update and the Duty to Review
- NCG Investment Plan
- Ambitious for Outstanding

As part of the Corporation and College Board workplan for 2022/23, each meeting was focussed around a 'Thematic Discussion and Feedback Session' – this allowed for Boards to receive information on a specific area of focus which could include a visit to a specific curriculum area, a presentation, and / or the opportunity to speak with staff and students to triangulate learning. This has allowed the Boards to gain a deeper understanding of key areas of focus. In addition, the Corporation Board and College Board have a number of Link Roles which involves certain governors carrying out link visits focussed on a specific area and share their learning with the Board. Each Board must have a Safeguarding and EDIB Link Governor, and other roles are implemented as appropriate.

On a meeting-by-meeting basis, governors are also asked to highlight any visits / training / Continuing Professional Development (CPD) they have completed as part of, or to assist them, in their role as a governor.

TRAINING AND DEVELOPMENT UNDERTAKEN BY CLERK TO THE CORPORATION

The Clerk to the Corporation has undertaken CPD during 2022/23. This has included personal study and review of sector publications and documents as well as interaction at regional and national level with the AOC's governance agenda.

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SELF ASSESSMENT

For 2022/23, a standardised internal self-assessment exercise was carried out for the Corporation Board, Committees and College Boards. The document included sections on the following:

- Membership
- The role of the Chair
- Terms of Reference
- Meetings
- Operations
- Risk
- Board responsibilities (including a compliance check with the terms of reference)

The self-assessment will be shared with each Board for approval with an overarching summary document being shared with the Corporation Board.

The Corporation Board are planning to undergo an external governance review in 2024.

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

The Corporation is ultimately responsible for NCG's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for maintaining a sound system of internal control. This supports the achievement of NCG policies, aims and objectives, while safeguarding the public funds and assets for which the Chief Executive is personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between the Corporation and the ESFA. The Chief Executive is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of NCG policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in NCG for the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Corporation has reviewed the key risks to which NCG is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is an adequate formal ongoing process for identifying, evaluating and managing NCG's significant risks that has been in place since the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

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INTERNAL CONTROL (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- regular review of all business risks by the Corporation.
- review of non-financial key performance indicators of the business to the Corporation.
- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Corporation.
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts.
- setting targets to measure financial and other performance.
- clearly defined capital investment control procedures.
- the adoption of formal project management disciplines, where appropriate.

NCG has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which NCG is exposed and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are approved by the Corporation on the recommendation of the Audit Committee. At least annually, the Corporation is provided with a report on audit activity in NCG, including an opinion on the adequacy and effectiveness of NCG's system of risk management, controls, and governance processes.

As the Instrument and Articles of Government for NCG (the I&A) already legislated for electronic attendance at meetings, a change was not required following COVID-19. Meetings have therefore taken place in person and virtually via Microsoft Teams. This complied in full with the I&A.

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INTERNAL CONTROL (CONTINUED)

RISKS FACED BY THE CORPORATION

A new risk framework was approved in 2019, which established strategic and business risks. The strategic risk register, which focuses on the long-term risks to the business, is overseen by the Audit and Risk Committee, on behalf of the Corporation Board. The business risks, which relate more to the 'here and now', form the basis of the college-level operational risk registers. This has been further amended for 2022/23. Full documented processes have been established for both approaches.

On 29 November 2022, the Office for National Statistics reclassified all college corporations as public sector institutions with immediate effect, this prompted the Department for Education to introduce additional regulations for colleges which have taken effect during 2022/23. NCG remains a self-governed charity regulated by the Secretary of State for Education, but is now subject to the framework for financial management set out in Managing Public Money (MPM). This has impacted on NCG internal policies and procedures and its Financial Regulations have been updated to incorporate the MPM framework. NCG has adjusted the processes for all areas covered by the "Dear Accounting Officer" Letter and the subsequent bitesize guidance to ensure compliance with MPM requirements.

CONTROL WEAKNESSES IDENTIFIED

Governance, risk management and control, and value for money arrangements in relation to business-critical areas, have been found to be generally satisfactory by our internal auditors. However, there are some areas of weakness or non-compliance noted within the conclusions of or internal audit activity for which:

a) All recommendations have been responded to by management.

b) Actions to address have been agreed and have been / are being implemented to address these concerns.

c) The Audit and Risk Committee regularly reviews progress on the implementation of internal audit report recommendations.

RESPONSIBILITIES UNDER FUNDING AGREEMENTS

Governors have commissioned and received assurances from both management and assurance services re the required compliance with Funding Agreements and Contracts with the ESFA. Further a number of specific data funding audits have been undertaken which has been delivered based on ESFA funding methodology; where issues have been noted addressing actions have been taken.

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INTERNAL CONTROL (CONTINUED)

STATEMENT FROM THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. The Audit and Risk Committee believes the Corporation has effective internal controls in place.

The specific areas of work reported to the Audit and Risk Committee in 2022/23 and up to the date of approval of the financial statements are covered within five sub-areas which are reflected within the Annual Opinion provided by the Chief Operations and Compliance Officer (acting as the Head of Internal Audit). In the Annual Opinion, the Chief Operations and Compliance Officer concludes that NCG is 'generally satisfactory with some improvements required'. Further, the report states that 'Governance, risk management and control, and value for money arrangements in relation to business-critical areas are generally satisfactory'.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive's review of effectiveness of the system of internal control is informed by:

- the work of the internal auditors
- the work of the executive managers within NCG who have responsibility for the development and maintenance of the internal control framework
- comments made by NCG's auditors of the financial statement and regularity assurance, the appointed funding auditors in their management letters and other reports.

The Chief Executive has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit and Risk Committee, which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Executive Board receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms that are embedded within the departments and reinforced by risk systems. The Executive Board and the Audit and Risk Committee also receive regular reports from internal audit, which include recommendations for improvement.

INTERNAL CONTROL (CONTINUED)

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. Corporation meetings consider risk and control, and they receive reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance, not merely reporting by exception. At its December 23 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the Audit Committee, financial statements and internal audit, and taking account of events since 31 July 2023.

GOING CONCERN

After making appropriate enquiries, the Corporation considers that NCG has adequate resources to continue in operational existence for the foreseeable future. Despite the ongoing economic and political uncertainty, the Corporation maintains a strong balance sheet with low gearing, cash reserves with and robust budget management to mitigate external pressures. The 2023/24 budget reflects a balanced approach to growth and cost control. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 19 December 2023 and signed on its behalf by:

John Widdowson

John Widdowson
(Chair of the Corporation)

Liz Bromley
(Chief Executive Officer)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE WITH FUNDING BODY TERMS AND CONDITIONS OF FUNDING

As accounting officer I confirm that the corporation has had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of grant funding agreements and contracts with ESFA, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the corporation's grant funding agreements and contracts with ESFA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite-size guides.

I confirm that no instances of material irregularity, impropriety or funding non-compliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

Liz Bromley
Chief Executive & Accounting Officer
19 December 2023

STATEMENT OF THE CHAIR OF GOVERNORS

On behalf of the corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.

John Widdowson

John Widdowson
Chair of the Corporation
19 December 2023

Statement of responsibilities of the members of the Corporation

The members of the corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the corporation is required to:

• select suitable accounting policies and apply them consistently

• make judgements and estimates that are reasonable and prudent

• state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

• assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications, or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report)

• prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation

The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

The corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The corporation is responsible for the maintenance and integrity of its websites; the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient, and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 19 December 2023 and signed on its behalf by:

John Widdowson

John Widdowson

(Chair of the Corporation)

Independent auditor's report to the members of NCG

Opinion

We have audited the financial statements of NCG (the 'College') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of its deficit of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in notes 1 and 21 to the financial statements concerning the funding clawback provision. The amount and timing of the clawback are uncertain and therefore a provision has been made in the financial statements at a level which management consider reflects their ongoing challenge to this claim.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 44, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the College and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the ESFA funding agreements, the OfS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, HM Treasury's "Managing public money".

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax and pension legislation.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the assets and liabilities of the Defined Benefit Pension Scheme, the valuation of investment property and the accruals reclaimable by funding bodies, revenue recognition (which we pinpointed to the cut-off assertion in respect of non-funding body grant income), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the financial statements, has been materially misstated.

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 19 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

Mazars LLP

Chartered Accountants and Statutory Auditor

Address

Date 20/12/2023

Statement of comprehensive income

	Notes	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
INCOME			
Funding body grants	2	113,170	101,917
Tuition fees and education contracts	3	27,873	29,209
Other grants and contracts	4	1,679	1,797
Other income	5	3,376	3,569
Investment income	6	721	71
Total income		**146,819**	**136,563**
EXPENDITURE			
Staff costs	8	95,833	99,068
Restructuring costs	8	134	472
Other operating expenses	9	42,206	37,458
Depreciation	14	14,465	14,628
Interest payable and other finance costs	11	915	2,507
Total expenditure		**153,553**	**154,133**
Deficit before other gains and losses		**(6,734)**	**(17,570)**
Loss on Disposal of Assets	14	-	(25)
Revaluation of Investment Properties	15	(150)	410
Deficit		**(6,884)**	**(17,185)**
Actuarial gain in respect of pension schemes	26	3,186	124,562
Total comprehensive (loss)/gain for the year		**(3,698)**	**107,377**

The following table is non-GAAP disclosure and as such does not form part of these financial statements:

Non-GAAP disclosure - Earnings before interest, tax, depreciation & amortisation (EBITDA)	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Deficit before other gains and losses	(6,734)	(17,570)
Less Capital grant release income	(4,813)	(4,777)
Investment income	(721)	(71)
Add Depreciation	14,465	14,628
Interest payable and other finance costs	915	2,507
Add LGPS Costs	8,828	14,322
Less LGPS Employer Contributions Paid	(5,669)	(5,547)
EBITDA	6,271	3,492

Statement of changes in reserves

	Income and expenditure account £000	Revaluation reserve £000	Total £000
Balance at 1 August 2021	52,612	5,441	58,053
Deficit from the income and expenditure account	(17,185)	-	(17,185)
Other comprehensive income	124,562	-	124,562
Transfers between revaluation and income and expenditure reserves	55	(55)	-
Total comprehensive gain for the year	**107,432**	**(55)**	**107,377**
Balance at 31 July 2022	**160,044**	**5,386**	**165,430**
Deficit from the income and expenditure account	(6,884)	-	(6,884)
Other comprehensive income	3,186	-	3,186
Transfers between revaluation and income and expenditure reserves	64	(64)	-
Total comprehensive gain for the year	**(3,634)**	**(64)**	**(3,698)**
Balance at 31 July 2023	**156,410**	**5,322**	**161,732**

Balance sheets as at 31 July 2023

	Notes	As at 31 July 2023 £000	As at 31 July 2022 £000
Non-current assets			
Tangible fixed assets	14	233,674	240,914
Investment property	15	2,650	2,800
		236,324	**243,714**
Current assets			
Stocks	16	95	95
Trade and other receivables	17	7,580	8,384
Investments	22	9,724	9,506
Cash and cash equivalents	23	28,708	15,345
		46,107	**33,330**
Less: Creditors - amounts falling due within one year	18	39,339	30,599
Net current assets		**6,768**	**2,731**
Total assets less current liabilities		**243,092**	**246,445**
Creditors - amounts falling due after more than one year	19	66,642	66,657
Provisions			
Defined benefit pension obligations	26	-	1,118
Other provisions	21	14,718	13,240
Total net assets		**161,732**	**165,430**
Unrestricted reserves			
Revaluation reserve		5,322	5,386
Income and expenditure account		156,410	160,044
Total unrestricted reserves		**161,732**	**165,430**

The financial statements were approved by the members of the Corporation on 19 December 2023 and were signed on their behalf by:

John Widdowson

John Widdowson
(Chair of the Corporation)

Liz Bromley
(Chief Executive Officer)

Statement of cash flows

	Notes	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Cash flow from operating activities			
Deficit for the year		(6,884)	(17,185)
Adjustment for non-cash items			
Depreciation		14,465	14,628
Deferred capital grants released to income		(4,813)	(4,777)
Increase in stocks		-	(17)
(Decrease)/Increase in debtors		804	(2,159)
Increase/(Decrease) in creditors due in less than 1 year		2,595	(626)
Increase in provisions		1,478	8,565
Pensions costs less contributions payable		2,067	10,444
Adjustment for investing or financing activities			
Investment income		(721)	(71)
Interest payable		760	497
Loss on sale of fixed assets		-	25
Revaluation of Investment Properties		150	(410)
Net cash inflow from operating activities		**9,901**	**8,914**
Cash flows from investing activities			
Investment income		721	71
New deposits		(218)	(2,506)
Capital grants received		15,744	2,507
Payments made to acquire fixed assets		(6,985)	(5,881)
		9,262	(5,809)
Cash flows from financing activities			
Interest paid		(774)	(462)
Repayments of amounts borrowed		(5,026)	(1,748)
		(5,800)	(2,210)
Increase in cash and cash equivalents in the year	23	**13,363**	**895**
Cash and cash equivalents at beginning of the year		15,345	14,450
Cash and cash equivalents at end of the year		28,708	15,345

1. Accounting policies

The following accounting policies have been applied consistently when dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2022 to 2023* and in accordance with Financial Reporting Standard 102 – *"The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland"* (FRS102). NCG is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying NCG accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current Tangible Fixed assets.

Going concern

The activities of NCG, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of NCG, its cash flow, liquidity and borrowings are presented in the financial statements and accompanying notes.

After making appropriate enquiries, the Corporation considers that NCG has adequate resources to continue in operational existence for the foreseeable future. Despite the ongoing economic and political uncertainty, the Corporation maintains a strong balance sheet with low gearing, cash reserves with and robust budget management to mitigate external pressures. The 2023/24 budget reflects a balanced approach to growth and cost control. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement after considering the defined tolerance for the Adult Education Budget (whether directly from the ESFA or through the devolved local authorities) is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year-end reconciliation process with the funding body following the year-end, and the results of any funding audits. ESFA 16-19 grant funding is not normally subject to reconciliation and is therefore not subject to contract adjustments other than audit adjustments or in year growth awards.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate. Grants (including research grants) from non-government sources are recognised in income when NCG is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS102. Other capital grants are recognised in income when the Group is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

1. Accounting policies (continued)

Recognition of income (continued)

All income from short-term deposits is accounted for in the Statement of Comprehensive Income in the period in which it is earned on a receivable basis.

NCG acts as an agent in the collection and payment of learner support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of NCG where NCG is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Where NCG subcontracts part of their income contracts to other organisations, the income is recognised in full against the appropriate categorisation as part of income, the amounts that are earned by the subcontractor is classified as expenditure and is included within Other Operating Expenses in the Statement of Comprehensive Income.

Agency arrangements

The college acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the college where the college is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of NCG are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). NCG is a scheduled body of two Local Government Pension Schemes, the Tyne and Wear Pension Fund (TWPF) and the London Pension Fund Authority (LPFA). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with NCG in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to staff costs within expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. As NCG is a member of more than one fund in the LGPS then each fund is treated separately for valuation and disclosure purposes.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest payable and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses in other comprehensive income.

Short term employment benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to NCG. Any unused benefits are accrued and measured as the additional amount NCG expects to pay as a result of the unused entitlement.

1. Accounting policies (continued)

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to staff costs in the year that the member of staff retires. In subsequent years, a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the Association of Colleges (AoC).

Termination benefits

Termination benefits are amounts payable as a result of a decision by NCG to terminate an employee's employment before their normal retirement date or an employee's decision to accept voluntary redundancy. These benefits are charged on an accrual's basis to the Statement of Comprehensive Income at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognises costs for a restructuring.

Non-current assets - tangible fixed assets

Tangible fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings

Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

- Building Exterior – 30 Years
- Fabric of the Building – 30 Years
- Building Interior – 20 Years
- Mechanical and Engineering parts e.g. Lifts, Heating – 18 Years
- Structural parts e.g., Building frame, stairs, roof – 60 Years.

Freehold land is not depreciated as it is considered to have an infinite useful life.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

On adoption of FRS102, NCG followed the transitional provision to retain the book value of buildings, which were revalued in 1993, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Leasehold Improvements

Leasehold improvements are capitalised and depreciated over the lower of the remaining term of the lease or the expected useful life as per freehold buildings. All are short leasehold.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to NCG, in which case it is capitalised and depreciated on the relevant basis.

1. Accounting policies (continued)

Non-current assets - tangible fixed assets (continued)

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition, except IT equipment, which is capitalised regardless of value. Where capitalised, equipment is recorded as a tangible fixed asset at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- technical equipment 5 years
- motor vehicles 5 years
- computer equipment 4 years
- furniture, fixtures and fittings 5 years

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income.

Investment Properties

Investment properties are measured at fair value annually and any changes to the value goes through the Statement of Comprehensive Income. The fair value is measured by an independent valuer which is has been based on market value in this instance.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term. The Group has taken advantage of the transitional exemptions in FRS102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1 August 2014.

Leasing agreements, which transfer to NCG substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Stocks

Stocks are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving, and defective items.

1. Accounting policies (continued)

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short-term deposits held by NCG are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 requires that basic financial instruments are subsequently measured at amortised cost, however, NCG has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Taxation

NCG is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, NCG is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NCG is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when

- the College has a present legal or constructive obligation as a result of a past event
- it is probable that a transfer of economic benefit will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period it arises.

A contingent liability arises from a past event that gives NCG a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of NCG. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

1. Accounting policies (continued)

Provisions and contingent liabilities (continued)

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Identified areas of provision are as follows:

Funding Clawback Provision

An income provision has been made in relation to ESFA historic delivery between 2018/19 – 2020/21. It is considered that the obligation can be measured reliably based on the reclaim value and associated recovery calculation.

Dilapidations

Dilapidations are provided for based on a recognised valuation formula over the lifetime of a property's lease and are reviewed regularly.

Restructuring Provision

A restructuring provision is recognised when there is a legal or constructive obligation at the reporting date. The provision made is based on contractual and/ or legal requirements.

Onerous Contracts

An onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision for onerous contracts is calculated as the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by NCG either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of NCG tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

1. Accounting policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

- Local Government Pension Scheme

  As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the Group will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102

Other key sources of estimation uncertainty

- Tangible fixed assets

  Tangible fixed assets, other than investment properties, are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Defined benefit pension schemes

  The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- Valuation of Investment Property

  NCG has used a third-party qualified person to value the property to try to mitigate this risk.

- Funding Clawback Provision

  A provision has been made for a reclaim of funding by the ESFA in relation to historic delivery between 2018/19 – 2020/21. The estimation is based on the calculation of funding recovery provided by the ESFA but adjusted on a prudent basis to reflect the ongoing challenge to this claim.

2. Funding body grants

	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Recurrent grants		
Education & Skills Funding Agency - adult	5,804	6,377
Devolved Adult Education Budget	18,021	15,959
Education & Skills Funding Agency - 16-19	74,534	69,520
Education & Skills Funding Agency - apprenticeships	6,210	6,976
Exceptional Funding Clawback Provision	(729)	(5,436)
Office for Students	1,757	1,491
Specific grants		
Teacher Pension Scheme contribution grant	2,760	2,192
Releases of government capital grants	4,813	4,777
Office for Students - Challenge grant	-	61
	113,170	**101,917**

Under Education & Skills Funding Agency - 16-19 the amounts drawn down for Tuition Fund are £1,119,000 (2022: £1,752,000).

The exceptional funding clawback provision relates to the reclaim of funding by the ESFA for historic delivery between 2018/19 – 2020/21. The estimation is based on the calculation of funding recovery provided by the ESFA but adjusted on a prudent basis to reflect the ongoing challenge to this claim.

3. Tuition fees and education contracts

	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Adult education fees	711	864
Apprenticeship fees and contracts	92	123
Fees for FE loan supported courses	2,126	2,756
Fees for HE loan supported courses	16,185	17,525
International students fees	1,920	1,095
Total tuition fees	21,034	22,363
Education contracts	6,839	6,846
	27,873	**29,209**

NCG is committed to enabling potential learners to access education regardless of their personal finances. This has resulted in tuition fees foregone under NCG own fee waiver policy in the year totalling £984,000 (2022: £1,361,000). All courses are given an assumed fee based on guided learner hours, whether or not a fee had been charged to the students, which seeks to reflect the actual fees foregone.

4. Other grants and contracts

	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Erasmus/Turing Scheme	695	941
European Commission	901	657
Other grants and contracts	83	179
Coronavirus Job Retention Scheme grant	-	20
	1,679	**1,797**

The government's Coronavirus Job Retention Scheme ended on 20 September 2021, funding was received in 2022 of £20,000 related to staff costs that are included in the comparatives within note 8.

5. Other income

	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Catering	1,200	936
Miscellaneous income	2,176	2,633
	3,376	**3,569**

6. Investment income

	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Other interest receivable	631	71
	631	**71**
Net return on pension scheme	90	-
	721	**71**

7. Grant and fee income

	Notes	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Grant income from the OfS		3,028	3,582
Grant income from other bodies			
Education & Skills Funding Agency adult	2	5,804	5,977
Devolved Adult Education Budget	2	18,021	21,395
Education & Skills Funding Agency 16-19	2	74,534	64,484
TPS contribution grant	2	2,760	2,192
Other capital grants		2,037	477
Other capital grants from ESFA		12,417	-
Fee income for taught awards	3	16,185	17,525
Fee income from non-qualifying courses			
Adult education fees	3	711	864
Fees for FE loan supported courses	3	2,126	2,756
International students fees	3	1,920	1,095
		139,543	**120,347**

Grant income from the OfS includes recurrent teaching funding and also non-recurrent funding (including grants for capital infrastructure and challenge competitions). The amount received in relation to capital infrastructure funding is classified as a capital grant on receipt and forms part of the balance within creditors on the balance sheet. Capital infrastructure funding was £1,271,000 in the year (2022: £2,030,000).

Grant income from the ESFA includes recurrent teaching funding and also non-recurrent funding (including grants for capital infrastructure). The amount received in relation to capital infrastructure funding is classified as a capital grant on receipt and forms part of the balance within creditors on the balance sheet. Capital infrastructure funding was £12,417,000 in the year (2022: £nil).

Grant income from the other bodies includes non-recurrent funding for capital infrastructure. The amount received in relation to capital infrastructure funding is classified as a capital grant on receipt and forms part of the balance within creditors on the balance sheet. Capital infrastructure funding was £2,037,000 in the year (2022: £477,000).

8. Staff costs

The average number of persons (including key management personnel) employed by the Group during the year is shown below. This is the average headcount, calculated on a monthly basis, determined by dividing the relevant annual number by the number of months in the financial year.

Staff costs

	Year ended 31 July 2023 Total No.	Year ended 31 July 2022 Total No.
Teaching staff	1,306	1,354
Non teaching staff	1,193	1,205
	2,499	**2,559**

Staff costs for the above persons:

	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Wages and salaries	72,328	70,431
Social security costs	6,985	6,637
TPS pension costs	7,692	7,497
LGPS pension costs (TWPF)	7,510	12,300
LGPS pension costs (LPFA)	1,318	2,022
Other pension costs	-	181
Payroll sub-total	**95,833**	**99,068**
Exceptional restructuring costs	134	472
Total staff costs	**95,967**	**99,540**

NCG runs salary sacrifice schemes for Cycle to Work, Childcare Vouchers, shared cost AVCs and Electric Vehicles.

8. Staff costs (continued)

Key Management Personnel and Higher Paid Staff

The number of key management personnel and other staff who received emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

Bandings based on Emoluments excluding employer pension contributions	Key management personnel Year ended 31 July 2023 No.	Key management personnel Year ended 31 July 2022 No.	Other higher paid staff Year ended 31 July 2023 No.	Other higher paid staff Year ended 31 July 2022 No.
£60,000 to £65,000	-	1	9	9
£65,001 to £70,000	-	-	16	13
£70,001 to £75,000	-	-	6	10
£75,001 to £80,000	-	-	5	3
£80,001 to £85,000	1	2	3	2
£85,001 to £90,000	-	-	3	-
£90,001 to £95,000	-	-	1	2
£95,001 to £100,000	-	1	1	1
£100,001 to £105,000	3	1	-	-
£105,001 to £110,000	1	2	2	-
£110,001 to £115,000	-	1	-	-
£115,001 to £120,000	-	4	-	-
£120,001 to £125,000	1	-	-	-
£125,001 to £130,000	3	2	-	-
£130,001 to £135,000	1	2	-	-
£135,001 to £140,000	2	-	-	-
£145,001 to £150,000	1	-	-	-
£215,001 to £220,000	1	-	-	-
£230,001 to £235,000	-	1	-	-
	14	**17**	**46**	**40**

Part time workers grossed up to full time equivalent and staff on maternity, paternity or sickness leave at their usual rate of pay the bandings would have been as follows:

- No members of key management personnel (2022: 1) would have been paid in the £60,000 to £65,000 banding in 2023.
- 1 member (2022: nil) of key management personnel would have been paid in the £95,001 to £100,000 banding in 2023.
- No members of key management personnel (2022: 1) would have been paid in the £160,001 to £165,000 banding in 2023.
- No members of higher paid staff (2022: 2) would have been paid in the £60,000 to £65,000 banding in 2023.
- 4 members (2022: nil) of higher paid staff would have been paid in the £65,001 to £70,000 banding in 2023.
- No members of higher paid staff (2022: 1) would have been paid in the £75,001 to £80,000 banding in 2023.
- 3 members (2022: nil) of higher paid staff would have been paid in the £80,001 to £85,000 banding in 2023.
- No members of higher paid staff (2022: 1) would have been paid in the £85,001 to £90,000 banding in 2023.

8. Staff costs (continued)

Key Management Personnel and Higher Paid Staff (continued)

The number of key management personnel and other staff who had a full-time basic salary of over £100,000 on the 31 July, in the following ranges was:

Bandings based on Basic Salary of £100,000 and over	Key management personnel Year ended 31 July 2023 No.	Key management personnel Year ended 31 July 2022 No.	Other higher paid staff Year ended 31 July 2023 No.	Other higher paid staff Year ended 31 July 2022 No.
£100,000 to £105,000	3	3	-	-
£105,001 to £110,000	2	1	1	1
£110,001 to £115,000	1	1	-	-
£115,001 to £120,000	2	5	-	-
£120,001 to £125,000	1	-	-	-
£125,001 to £130,000	3	3	-	-
£160,001 to £165,000	-	1	-	-
£205,001 to £210,000	1	1	-	-
	13	**15**	**1**	**1**

Key Management Personnel were those persons having authority and responsibility for planning, directing and controlling the activities of NCG and are represented by the Executive Team.

The Key Management Personnel of NCG during the year ended 31 July 2023 were as follows,

- Chief Executive Officer
- Chief Finance Officer
- Chief Operations & Compliance Officer and Secretary to the Board (previously Executive Director and Secretary to the Board)
- Executive Director of Quality
- Chief Information, Data and Estates Officer (formerly Chief Information and Data Officer)
- Executive Principal, People & Culture
- Executive Principal, Curriculum
- Principals of Carlisle College, Kidderminster College, Newcastle College, West Lancashire College, Lewisham College, Southwark College and Newcastle Sixth Form College.

8. Staff costs (continued)

Key Management Personnel and Higher Paid Staff (continued)

	Year ended 31 July 2023 No.	Year ended 31 July 2022 No.
The number of Key Management Personnel including those who held office for only part of the year, was:	15	18

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Key Management Personnel emoluments are made up as follows:		
Basic Salary	1,661	1,916
Performance related pay and bonus	-	5
Non-consolidated One-off Payment	53	-
Benefits in Kind - Health Insurance	17	21
	1,731	1,942
Employers Pension Contributions	311	378
Payments in Lieu of Pensions	11	20
Total emoluments	**2,053**	**2,340**

The Key Management Personnel emoluments include amounts payable to the Accounting Officer and highest paid officer in 2023, the Chief Executive, of:

Liz Bromley

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Basic Salary	210	210
Non-consolidated One-off Payment	7	-
Employers Pension Contributions	38	14
Payments in Lieu of Pensions	-	20
Benefits in Kind - Health Insurance	3	2
Total emoluments	258	246

Ahead of each academic and financial year, the Chair of Corporation agrees with the Chief Executive their objectives for the year ahead. These objectives are items considered over and above the day-to-day operation of the role and are specifically linked to the delivery of the NCG Strategy. Alongside a half year review, the Chair of Corporation undertakes a full performance review annually where the CEO's performance against the set objectives is fully considered. In 2022/ 2023 academic year the Chair of Corporation confirmed to the committee that the CEO had performed strongly throughout the accounting period. This review of performance along with comparative reward information (from 1- Local Colleges, 2- Next tier organisations (based on income), 3- Equivalent tier (based on income) ESFA published data, 4- an analysis of similar sized HE providers) is then presented to the Appraisal & Remuneration Committee for further consideration and challenge. The conclusion of the Appraisal & Remuneration Committee is a that whilst the CEO's salary will remain at the current level, a non-consolidated one-off award of 3.5% (in relation to academic year 2022/23) will be made.

There were no amounts due to Key Management Personnel that were waived in the year. Emoluments do not include Employers National Insurance or compensation for loss of office.

The governing body has adopted AoC's Senior Staff Remuneration Code and continues to assess pay in line with its principles in future.

8. Staff costs (continued)

Key Management Personnel and Higher Paid Staff (continued)

Salaries and benefits paid to Key Management Personnel are presented annually to the Appraisal and Remuneration committee. Decisions on salary and specific salary changes are linked to performance, role changes and sector benchmarking information. Governors assess the proposal made by the Chief Executive, and formally agree or amend the proposed numbers.

Relationship of Chief Executive pay and remuneration expressed as a multiple (on a full-time equivalent basis):

Staffing - principal salary

	Year ended 31 July 2023	Year ended 31 July 2022
CEO's basic salary as a multiple of the median of all staff	6.99	7.23
CEO's total remuneration as a multiple of the median of all staff	6.98	6.98

In determining the median pay, agency staff are excluded. In getting to total remuneration the specific employers pension rate is applied to basic salary and allowances where appropriate. Salary sacrifice, employers national insurance, expenses that are not chargeable to UK income tax and compensation for loss of office are not included in the staff costs when calculating the median.

The following members of the board of governors and local college boards have received payments in the year

- The Chief Executive
- Staff Members
- College Principals

These payments have been in relation to their duties as employees of NCG but not to remunerate them for acting as a member of the board. The remaining governors who served during the year did not receive any form of payment from NCG other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

8. Staff costs (continued)

Compensation for loss of office paid and payable to former staff

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Compensation paid or payable to Key Management Personnel		
Non-contractual compensation	27	16
	27	**16**

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Compensation paid or payable to staff earning in excess of £60,000 per annum		
Contractual compensation	29	6
Non-contractual compensation	-	89
	29	**95**

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Compensation paid or payable to staff earning less than £60,000 per annum		
Contractual compensation	43	35
Non-contractual compensation	35	326
	78	**361**

The number of people to whom compensation was paid or became payable in 2023 was 14 (2022: 74). The Appraisal and Remuneration committee approves all compensation payments paid to senior post holders, while for non-senior post holders this is delegated within the articles to Liz Bromley. The pension contributions in respect of the Key Management Personnel relate to employer's contributions to the Teachers' Pension Scheme or the Local Government Pension Scheme and are paid at the same rate as for other employees.

The college/college group paid 14 severance payments in the year, disclosed in the following bands:

Compensation for loss of office paid or payable	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
£0 - £25,000	13	71
£25,001 - £50,000	1	3
Total number of employees paid or payable	**14**	**74**

Included in staff restructuring costs are special severance payments totalling £67,209 (2022: £431,000). Individually, the payments in 2023 were: £3,299, £4,644, £5,000, £11,573, £16,193 and £26,500.

9. Other operating expenses

	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
Teaching costs	2,915	2,938
Teaching and other support costs	10,969	11,451
Administration costs	7,711	6,121
Operational costs	11,000	8,545
Maintenance costs	3,698	2,836
Examination costs	3,615	3,180
Rent and lease costs	712	923
Catering, residences and conferences costs	1,497	1,023
Bad debt provision	-	194
Other costs	89	247
	42,206	**37,458**

Other operating expenses include:	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Auditor's remuneration:		
- External audit (including Regularity Audit)	90	56
- Other services provided by the external auditor	2	2
Subcontractor costs	3,832	4,274
Hire of assets under operating leases:		
- Land and buildings	634	726
- Other	321	307

The total value of any debts written off or other losses incurred in the year was £3,000 (2022: £50,000). There were no debts written off that were over £5,000.

10. Access and participation expenditure

	Year ended 31 July 2023			Year ended 31 July 2022		
	Staffing £000	Other £000	Total £000	Staffing £000	Other £000	Total £000
Access investment	281	-	281	299	-	299
Financial support provided to students	-	1,560	1,560	-	1,265	1,265
Support for Disabled Students	485	12	497	274	12	286
Research and evaluation	6	-	6	6	-	6
Total access and participation expenditure	**772**	**1,572**	**2,344**	**579**	**1,277**	**1,856**

The published Access and Participation Plan can be found here: https://www.ncgrp.co.uk/guide-to-information/our-policies-and-procedures/he-regulatory-document/.

The staffing above is intrinsic in being able to deliver the Access and participation plan. These costs are included as part of note 8 staff costs.

11. Interest payable and other finance costs

	Year ended 31 July 2023 Total £000	Year ended 31 July 2022 Total £000
On bank loans	760	496
Other interest - pensions	155	2,010
Other interest and charges	-	1
	915	**2,507**

12. Taxation

NCG was not liable for any corporation tax arising from its activities during the year.

13. Intangible fixed assets and investments

NCG – investments

	As at 31 July 2023 £	As at 31 July 2022 £
Subsidiary holdings	1.00	1.00
Investment in VSpark Ltd	1.50	1.50
	2.50	**2.50**

Subsidiary Holdings

At the balance sheet date, NCG Corporation has 2 subsidiary companies NCG Professional Services Limited (formerly Intraining Holdings Ltd) and NCG Foundation Limited. NCG Professional Services Limited has been dormant since 1 August 2021 and has no balances at the balance sheet date. NCG Foundation Limited has never traded since its incorporation on 28 November 2022, it is a company limited by guarantee. NCG is the sole member of this company.

The insolvency proceedings of The Intraining Group Ltd and Rathbone Training is still ongoing at the balance sheet date.

Investment

On the 12 August 2021 NCG became a shareholder of VSpark Limited, a private limited company registered in England and Wales.

The company has an issued share capital of £10 divided into 1,000 of £0.01 each, all of which are fully paid.

NCG has a minority shareholding of 150 shares (15%).

VSpark Limited has been set up to be a college-owned, national community of best practice which supports learners of all ages in their entrepreneurship and self-employment aspirations.

13. Intangible fixed assets and investments (continued)

Joint Venture

The investment in the joint venture relates to an entity, Cumbria Colleges Limited, in which Carlisle College has an interest on a long-term basis. It is a private company limited by guarantee without share capital. The entity is jointly controlled with three other organisations under a contractual agreement to promote and develop further education within Cumbria.

Consolidated financial statutory accounts have not been prepared on the basis of materiality and that Cumbria Colleges Limited, NCG Professional Services Limited and NCG Foundation Limited are dormant throughout the year and at the balance sheet date.

14. Tangible fixed assets

	Land and buildings £000	Plant and equipment £000	Total £000
Cost or valuation:			
At 1 August 2022	370,421	21,723	392,144
Additions	3,054	4,171	7,225
Disposals	-	(4,450)	(4,450)
At 31 July 2023	**373,475**	**21,444**	**394,919**
Depreciation:			
At 1 August 2022	138,037	13,193	151,230
Charge for year	11,332	3,133	14,465
Disposals	-	(4,450)	(4,450)
At 31 July 2023	**149,369**	**11,876**	**161,245**
Net book value at 31 July 2023	**224,106**	**9,568**	**233,674**
Net book value at 1 August 2022	232,384	8,530	240,914

Inherited land and buildings were valued at £25,934,000 on 27 August 1993. Of this, £25,859,000 relates to buildings stated at depreciated replacement cost, and £75,000 relates to a building valued at open market value by Storey Sons & Parker, a firm of chartered surveyors.

Other tangible fixed assets inherited from the local education authority at incorporation were capitalised at depreciated cost at incorporation. Should these assets be sold, NCG would have to use the sale proceeds in accordance with the financial memorandum with the ESFA. If inherited land and buildings had not been revalued, they would have been included with a net book value of £nil.

Land and buildings with a net book value of £72,152,000 2023 (2022: £88,798,000) have been partially financed by grants from the ESFA. Should these assets be sold, NCG would either have to surrender the sale proceeds to the ESFA or use the proceeds in accordance with the Financial Memorandum with the ESFA.

Included in land and buildings are assets at a cost of £2,060,000 which have not been depreciated as the assets have not yet been brought into use.

Freehold land held at a value of £64,586,000 has not been depreciated.

Revaluation reserve

Inherited land and buildings were valued at £25,934,000 on 27 August 1993.

15. Investment property

	As at 31 July 2023 £000
Carrying value at 1 August 2022	2,800
Revaluation of Investment Properties	(150)
Carrying value at 31 July 2023	**2,650**

100 St James' Boulevard is considered to continue to meet the criteria of being an investment property as it was not being used for supply of services and was being held to earn rentals. This building has been measured by an independent valuer, Lambert Smith Hampton whose employees are a RICS Registered Valuer. The valuation that Lambert Smith Hampton has produced is on the basis of Market Value.

16. Stocks

	As at 31 July 2023 £000	As at 31 July 2022 £000
Stocks	95	95
	95	**95**

17. Trade and other receivables

	As at 31 July 2023 £000	As at 31 July 2022 £000
Amounts falling due within one year:		
Trade debtors	1,626	1,750
Other debtors	95	74
Prepayments and accrued income	4,931	5,414
Amounts owed by the ESFA	928	1,146
	7,580	**8,384**

18. Creditors: amounts falling due within one year

	As at 31 July 2023 £000	As at 31 July 2022 £000
Deferred income	7,046	6,516
Amounts owed to the ESFA	4,597	3,290
Trade creditors	210	1,261
Payroll creditors	44	27
Other taxation and social security	249	292
Accruals	8,396	7,110
Bank loans	1,534	4,863
Other creditors	2,169	2,227
Payments received on Account	831	-
Deferred capital grants	4,652	5,013
Deferred capital grants unspent	9,611	-
	39,339	**30,599**

19. Creditors: amounts falling due after more than one year

	As at 31 July 2023 £000	As at 31 July 2022 £000
Bank loans	8,872	10,568
Deferred capital grants	55,018	56,089
Deferred capital grants unspent	2,752	-
	66,642	**66,657**

20. Maturity of debt

Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	As at 31 July 2023 £000	As at 31 July 2022 £000
In one year or less	1,534	4,863
Between one and two years	1,560	1,327
Between two and five years	5,937	4,335
In five years or more	1,375	4,907
	10,406	**15,432**

Bank loans and overdrafts carry interest at rates between 2.74% and 6.83% for fixed rate loans and between Bank of England (BoE) Base Rate +1.1% and BoE Base Rate +2.95% for variable. Loans are repayable by instalments and due to mature between 2027 and 2035.

All loans are secured by a legal charge over Newcastle College Rye Hill Campus freehold land and buildings, 100 St James Boulevard freehold land, and Carlisle College main campus freehold land. The net book value of assets on which security is held is £58,834,000 (2022: £61,982,000).

21. Provisions

	Funding Clawback Provision £000	Dilapidations £000	Enhanced pensions £000	Total £000
At 1 August 2022	8,471	909	3,860	13,240
Actuarial gains	-	-	1,076	1,076
Benefits paid	-	-	(348)	(348)
Interest charged	-	-	131	131
Charged in the year	729	149	-	878
Utilised in the year	-	(109)	-	(109)
Released in the year	-	(150)	-	(150)
At 31 July 2023	**9,200**	**799**	**4,719**	**14,718**

The Funding Clawback continues to be classified as a provision due to its uncertain amount however a very prudent best estimate has been based on the calculation of funding recovery provided by the ESFA.

Dilapidations are provided for on rented properties and the expected settlement for over 50% is within the next 4 years.

The enhanced pension provision relates to costs of staff that have already left NCG employment and commitments for reorganisation costs from which NCG cannot reasonably withdraw at the balance sheet date.

NCG has numerous methods of paying pensioners who are included within the enhanced pension provision which results in various assumptions. The price inflation assumption applied is either 0%, 2,6% or 10.1% (2022: 0%, 2.75% or 3.1%) and the discount rate assumption is 5% (2022: 3.3% or 3.6%).

22. Investments

	As at 31 July 2023 £000	As at 31 July 2022 £000
Short-term deposits	9,724	9,506

Deposits are held in short term notice accounts with more than 3 months maturity at the balance sheet date.

23. Cash and cash equivalents

	As at 31 July 2022	Other Cash flows	Other non-cash changes	As at 31 July 2023
Cash and cash equivalents	**£000**	**£000**	**£000**	**£000**
Short term liquid investments	894	4,119	-	5,013
Cash at bank and in hand - Unrestricted cash	14,451	(3,029)	-	11,422
Restricted cash at bank and in hand				
– unspent government capital grants	-	12,273	-	12,273
	15,345	**13,363**	**-**	**28,708**
Borrowings				
Debt due within one year	4,863	(5,026)	1,697	1,534
Debt due after one year	10,569	-	(1,697)	8,872
	15,432	**(5,026)**	**-**	**10,406**

24. Capital commitments

	As at 31 July 2023 £000	As at 31 July 2022 £000
Commitments contracted for at 31 July	2,164	430

25. Lease obligations

	As at 31 July 2023 £000	As at 31 July 2022 £000
Future minimum lease payments due:		
Land and buildings		
Not later than one year	631	429
Later than one year but not later than five years	1,914	661
Later than five years	2,803	169
	5,348	**1,259**
Other		
Not later than one year	281	239
Later than one year but not later than five years	197	7
	478	**246**

26. Pension schemes

The Group's employees belong to three principal defined benefit pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the following Local Government Pension Schemes (LGPS) for college non-teaching staff, the Tyne and Wear Pension Fund (TWPF), London Pension Fund Authority Scheme (LPFA) for Lewisham College and Southwark College employees.

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
TPS pension costs	7,692	7,497
LGPS pension costs (TWPF)	7,510	12,300
LGPS pension costs (LPFA)	1,318	2,022
Other pension costs	-	181
Total pension cost for the year	**16,520**	**22,000**

Amounts recognised in the Statement of Comprehensive Income

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Tyne & Wear LGPS	2,650	81,509
London Pension Fund Authority Scheme	1,612	43,285
Enhanced Pension Charge (note 21)	(1,076)	(232)
Actuarial gain recognised	**3,186**	**124,562**

Pension liability recognised in the balance sheet

	As at 31 July 2023 £000	As at 31 July 2022 £000
Tyne & Wear LGPS	-	-
London Pension Fund Authority Scheme	-	1,118
	-	**1,118**

Outstanding contributions at 31 July 2023, included within creditors, were £nil (2022: £nil).

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was as at 31 March 2020 and as at 31 March 2022 for the LGPS.

26. Pension schemes (continued)

The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Group is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Group has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Group has set out above the information available on the plan and the implications for the Group in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £222.2 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £262.0 billion giving a deficit of £39.8 billion.

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from April 2024 onwards (compared to 23.68% during 2018/19). DfE are continuing to pay a teacher pension employer contribution grant to cover the additional costs during the 2024/25 academic year.

The 2020 valuation of the Teachers' Pension Scheme is nearing completion and the Department for Education expects to be able to publish the outcome by the end of September 2023. At this time it is unclear what impact the valuation will have on the employer contribution rates from April 2024 onwards. It has been published however that DfE has worked with HM Treasury to secure additional financial support funding for the 2024/25 year.

A full copy of the 2020 valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £7,692,000 (2022: £7,497,000).

26. Pension schemes (continued)

Local Government Pension Scheme - Tyne & Wear Pension Fund (TWPF)

The following disclosures relate to the funded liabilities of the Tyne and Wear Pension Fund (TWPF), an administering authority in the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit pension scheme. Benefits accrued from 1 April 2014 are based on career average revalued earnings (CARE); benefits accrued prior to 2014 are based on final salary.

Regular employer contributions to the Fund for the year ending 31 July 2024 are estimated to be £4,510,000. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

Contribution rates from 1 April 2023 are:

Actual Pensionable pay	Contribution rate per year
Up to £16,500	5.50%
£16,501 to £25,900	5.80%
£25,901 to £42,100	6.50%
£42,101 to £53,300	6.80%
£53,301 to £74,700	8.50%
£74,701 to £105,900	9.90%
£105,901 to £124,800	10.50%
£124,801 to £187,200	11.40%
£187,201 or more	12.50%

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary:

TWPF	At 31 July 2023	At 31 July 2022	At 31 July 2021
CPI Inflation	2.60%	2.75%	2.70%
Rate of general long-term increase in salaries	2.60%	2.75%	2.70%
Rate of increase for pensions in payment	2.60%	2.75%	2.70%
Rate of revaluation of pension accounts	2.60%	2.75%	2.70%
Discount rate	5.00%	3.60%	1.75%

The current mortality assumptions include sufficient allowance for future changes in mortality rates. The assumed life expectations on retirement at age 65 are:

TWPF	As at 31 July 2023 Years	As at 31 July 2022 Years
Retiring at 31 July		
Males	20.1	21.1
Females	23.3	24.5
Retiring in 20 years		
Males	20.6	22.1
Females	24.0	25.6

26. Pension schemes (continued)

Local Government Pension Scheme - Tyne & Wear Pension Fund (TWPF) (continued)

The asset split in the scheme were:

TWPF	Asset split at 31 July 2023 %	Asset split at 31 July 2022 %
Equities	51.1	53.8
Property	10.3	11.1
Government Bonds	1.3	1.6
Corporate Bonds	18.8	18.6
Multi Asset Credit	4.6	4.4
Cash	1.7	1.8
Other	12.2	8.7
Total market value	**100.0**	**100.0**

Reconciliation of funded status to Balance Sheet:

The amount included in the balance sheet in respect of the defined benefit pension plan (and enhanced pensions benefits is as follows:

	As at 31 July 2023 £000	As at 31 July 2022 £000
Fair value of assets	181,200	176,850
Present value of funded defined benefit obligation	(143,450)	(168,920)
Net pensions asset	37,750	7,930
Less notional surplus not recognised	(37,750)	(7,930)
Net pensions asset/(liability) as recognised in these financial statements	-	-

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that NCG will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

Analysis of the amount charged to the Statement of Comprehensive Income

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Current service cost	7,510	12,290
Past service cost	-	10
Interest (income)/ cost	(90)	1,230
	7,420	**13,530**

26. Pension schemes (continued)

Local Government Pension Scheme - Tyne & Wear Pension Fund (TWPF) (continued)

Changes to the present value of liabilities during the year

	As at 31 July 2023 £000	As at 31 July 2022 £000
Opening defined benefit obligation	168,920	246,390
Current service cost	7,510	12,290
Interest cost	6,030	4,290
Contributions by participants	1,550	1,490
Actuarial gains on liabilities	(35,870)	(91,560)
Net benefits paid out	(4,690)	(3,990)
Past service cost	-	10
Closing defined benefit obligation	**143,450**	**168,920**

Changes to the fair value of assets during the year

	As at 31 July 2023 £000	As at 31 July 2022 £000
Opening fair value of assets	176,850	173,800
Interest income on assets	6,400	3,060
Actuarial losses on assets	(3,680)	(2,120)
Contributions by the employer	4,770	4,610
Contributions by participants	1,550	1,490
Net benefits paid out	(4,690)	(3,990)
Closing fair value of assets	**181,200**	**176,850**

Actual return on assets

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Interest income on assets	6,400	3,060
Actuarial losses on assets	(3,680)	(2,120)
Actual return on assets	**2,720**	**940**

26. Pension schemes (continued)

Local Government Pension Scheme - Tyne & Wear Pension Fund (TWPF) (continued)

History of asset values, present value of liabilities and deficit

TWPF	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Fair value of assets	181,200	176,850	173,800	144,960	143,695
Present value of liabilities	(143,450)	(168,920)	(246,390)	(207,110)	(169,359)
Less notional surplus not recognised	(37,750)	(7,930)	-	-	-
Deficit	-	-	(72,590)	(62,150)	(25,664)

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 July 2023 and the projected service cost for the period ending 31 July 2023 is set out below:

TWPF	*£000*	*£000*	*£000*
Adjustment to discount rate	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	140,720	143,450	146,180
Projected service cost	3,700	3,880	4,070
Adjustment to long term salary increase	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	143,590	143,450	143,310
Projected service cost	3,880	3,880	3,880
Adjustment to pension increase and deferred revaluation	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	146,030	143,450	140,870
Projected service cost	4,070	3,880	3,700
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	147,180	143,450	139,720
Projected service cost	4,020	3,880	3,740

The McCloud/Sargeant Judgement

The McCloud and Sargeant cases relate to age discrimination within the Judicial and Fire Pension schemes, respectively. The valuation for 2020 included a McCloud 'underpin' liability within the current service cost, together with an allowance within the balance sheet reflecting service since the scheme reforms in 2014. For the July 2023 results the roll-forward method based on last year's results has continued to be used.

This method for valuing the McCloud remedy is closely aligned with the method proposed by MHCLG (Ministry of Housing, Communities & Local Government) in its consultation issued in July 2020. On 13 May 2021 MHCLG's written ministerial statement confirmed they would be proceeding with the key principles as laid out in that consultation, with a full government response to follow later in 2021. Subsequently the MHCLG has changed its name to the Department for Levelling Up, Housing and Communities (DLUHC).

On the 8 September 2023, DLUHC published an update to the position on the McCloud remedy. They are taking steps towards making regulations address the McCloud discrimination and these are expected to come into force on 1 October 2023 and enabling administering authorities to continue their detailed and important work on the remedy.

26. Pension schemes (continued)

Local Government Pension Scheme - Tyne & Wear Pension Fund (TWPF) (continued)

GMP equalisation

The GMP equalisation is where pension schemes are required to provide equal benefits to men and women after May 1990, which was the date of the Barber judgement. The approach used is to value full CPI inflation pension increases on GMPs of members whose State Pension Age is on or after 6 April 2016. This is an approximate method of recognising the cost of the Government's commitment to compensate public service scheme members from the removal of the Additional Pension element of the State Pension from this date, and for the outcome of the Lloyds judgement which found GMPs to be illegally sex discriminatory. Government has consulted on its approach to compensating affected members and announced on 23 March 2021 that it would adopt a long-term policy of uprating GMPs in line with CPI inflation for members whose State Pension Age (SPA) is on or after 6 April 2016. The consultation response recognised that this solution will not address all sex inequalities for a minority of members. Further guidance from DLUHC is expected on how they propose to deal with this, however there is no defined timetable in place for this.

The Goodwin Ruling

In June 2020 an Employment Tribunal ruled, in relation to the Teachers' Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements.

Those changes are yet to be reflected in the LGPS Regulations, or in the data that is received to calculate the FRS102 valuation from the Administering Authority, so therefore there has no allowance for this ruling in the above calculations.

Local Government Pension Scheme - London Pension Fund Authority (LPFA)

NCG participates in the London Pension Fund Authority (LPFA) Local Government Pension Scheme (LGPS). Non-teaching staff who work at the London Colleges will be offered membership into this LGPS fund.

The assets of the scheme are invested and managed independently of the finances of NCG. The pension costs relating to the schemes are calculated separately on the projected unit method and are assessed with the advice of a qualified actuary. The latest FRS102 actuarial assessment of this scheme was on 31 July 2023 and was carried out by Barnett Waddingham LLP, an independent actuary. This valuation estimated a pension surplus of £22,122,000 however as management do not consider that NCG will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

The following disclosures relate to the funded liabilities of the London Pension Fund Authority (LPFA), an administering authority in the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme. Benefits accrued from the 1 April 2014 are based on career average revalued earnings (CARE); benefits accrued prior to 2014 are based on final salary.

26. Pension schemes (continued)

Local Government Pension Scheme - London Pension Fund Authority (LPFA) (continued)

Employee Contribution rates from 1 April 2023 are:

Actual Pensionable pay	Contribution rate per year
Up to £16,500	5.50%
£16,501 to £25,900	5.80%
£25,901 to £42,100	6.50%
£42,101 to £53,300	6.80%
£53,301 to £74,700	8.50%
£74,701 to £105,900	9.90%
£105,901 to £124,800	10.50%
£124,801 to £187,200	11.40%
£187,201 or more	12.50%

Impact of McCloud/ Sargeant Cases

The results of the FRS102 valuation include an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively. This allowance was described in the previous accounting report and incorporated into the accounting results. As for the TWPF above, these results, including the allowance, have continued to be rolled forward and remeasured to obtain the accounting results as at 31 July 2023.

Impact of Guaranteed Minimum Pension Indexation and Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have adjusted accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is our understanding that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes". It is not yet known if, or how, this will affect the LGPS. Further guidance from CIPFA and DLUHC is awaited. Whilst no guidance nor data is available, the actuary's standard approach currently is to make no allowance to reflect this judgement.

On 23 March 2021, the Government published the outcome to its Guaranteed Minimum Pension Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching SPA beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016.

The actuary's valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, it has been assumed that the Fund will be required to pay the entire inflationary increase. Therefore, no adjustments to the value placed on the liabilities have been made as a result of the above outcome.

26. Pension schemes (continued)

Local Government Pension Scheme - London Pension Fund Authority (LPFA) (continued)

Employer contribution rates were fixed at 14.0% from April 2023 onwards.

The financial assumptions used to calculate the results are as follows:

LPFA - NCG	***At 31 July 2023***	***At 31 July 2022***
Discount rate	5.00%	3.55%
Salary increases	2.60%	2.80%
Pension increases	2.60%	2.80%

The current mortality assumptions include sufficient allowance for future changes in mortality rates. The assumed life expectations on retirement at age 65 are:

LPFA - NCG	***At 31 July 2023***	***At 31 July 2022***
Retiring at 31 July		
Males	19.3	21.2
Females	22.7	23.8
Retiring in 20 years		
Males	20.6	22.1
Females	24.1	25.2

Principal Actuarial Assumptions

The estimated asset allocation for NCG as at 31 July is as follows:

LPFA - NCG	***At 31 July 2023 %***	***At 31 July 2022 %***
Equities	58.8	56.8
Target Return Portfolio	17.9	21.7
Infrastructure	12.5	10.5
Property	9.5	9.8
Cash	1.3	1.2
	100	**100**

Net pension surplus/ (liability) as at 31 July:

LPFA - NCG	***2023 £000***	***2022 £000***	***2021 £000***
Present value of the defined benefit obligation	(82,360)	(102,249)	(141,204)
Fair value of Fund assets (bid value)	104,482	102,176	99,977
Surplus / (Deficit)	22,122	(73)	(41,227)
Present value of unfunded obligation	696	(1,045)	(1,375)
Less notional surplus not recognised	(22,818)	-	-
Net defined benefit liability	**-**	**(1,118)**	**(42,602)**

26. Pension schemes (continued)

Local Government Pension Scheme - London Pension Fund Authority (LPFA) (continued)

The amounts recognised in the Statement of Comprehensive Income are:

	July 2023	*July 2022*
	£000	*£000*
Service cost	1,318	1,892
Net interest on the defined liability	24	716
Administration expenses	51	130
	1,393	**2,738**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	2023	*2022*
	£000	*£000*
Opening defined benefit obligation	103,294	142,579
Current service cost	1,318	1,892
Interest cost	3,590	2,382
Change in demographic assumptions	(5,941)	892
Change in financial assumptions	(27,321)	(40,034)
Experience loss on defined benefit obligation	11,775	525
Estimated benefits paid net of transfers in	(4,478)	(4,991)
Contributions by Fund participants and other employers	276	247
Unfunded pension payments	(153)	(198)
Closing defined benefit obligation	**82,360**	**103,294**

Reconciliation of opening and closing balances of the fair value of Fund assets

	2023	*2022*
	£000	*£000*
Opening fair value of Fund assets	102,176	99,977
Interest on assets	3,566	1,666
Return on assets less interest	(582)	4,668
Other actuarial gains	2,829	-
Administration expenses	(51)	(130)
Contributions by employer including unfunded	899	937
Contributions by Fund participants and other employers	276	247
Estimate benefits paid plus unfunded net of transfers in	(4,631)	(5,189)
Closing fair value of Fund assets	**104,482**	**102,176**

26. Pension schemes (continued)

Local Government Pension Scheme - London Pension Fund Authority (LPFA) (continued)

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 July 2023 and the projected service cost for the period ending 31 July 2023 is set out below:

Adjustment to discount rate	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	81,251	82,360	83,495
Projected service cost	700	722	746
Adjustment to long term salary increase	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	82,377	82,360	82,344
Projected service cost	723	722	722
Adjustment to pension increase and deferred revaluation	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	83,505	82,360	81,241
Projected service cost	746	722	699
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	85,787	82,360	79,086
Projected service cost	748	722	698

Remeasurement of the defined benefit pension liability

Remeasurement of the defined benefit pension liability

	2023	***2022***
	£000	***£000***
Return on Fund assets in excess of interest	(582)	4,668
Other actuarial losses on assets	2,829	-
Change in financial assumptions	27,321	40,034
Change in demographic assumptions	5,941	(892)
Experience loss on defined benefit obligation	(11,775)	(525)
Changes in effect of asset ceiling	(15,230)	-
Remeasurement of the defined benefit pension liability	**8,504**	**43,285**

Projections for the year to 31 July 2024

Service cost	722
Net interest on the defined liability / (Asset)	(364)
Administration expenses	54
	412
Employer contributions	584

27. Related party transactions

Due to the nature of NCG operations and the composition of the Corporation (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the NCG's financial regulations and normal procurement procedures.

Travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity:

	As at 31 July 2023 £000	As at 31 July 2022 £000
Payments paid to or on behalf of Governors		
- Corporation	2	5
- Local college boards	1	2
	3	**7**
Number of governors	No.	No.
- Corporation	5	10
- Local college boards	3	3
	8	**13**

Peter Lauener is the chair of the Construction Industry Training Board (CITB); NCG delivers training to CITB's learners. On 31 July 2023, a net position of £83,000 (2022: £nil) was due to CITB from NCG, with transactions during the year totalling £21,000 (2022: £48,000) sales ledger and £86,000 (2022: £2,000) purchase ledger.

He also holds the position of Chair of the Board of the SLC. SLC provides loans to eligible learners to fund their studies with NCG and the money to settle the fees is received directly from the SLC. On 31 July 2023, £277,000 (2022: £69,000) was due to NCG from SLC, with transactions during the year totalling £17,695,000 (2022: £15,031,000).

One board member is company director of Robertsons Facilities Management. On 31 July 2023, there was £nil balance due to or owed by NCG (2022: £nil), with transactions during the year totaling £nil (2022: £806,000).

One member of the board was a partner of Armstrong Watson LLP. There were transactions during the year totaling £4,000 (2022: £3,000) purchase ledger and £6,000 (2022: £nil) sales ledger, with £nil balance due to or owed by NCG at 31 July 2023 (2022: £nil).

During the year, the Finance Director for NCG North was a director of Cumbria Colleges Limited. Carlisle College has given a guarantee of £25,000 in the event of Cumbria Colleges Limited entering into insolvent liquidation. During the period, no transactions were undertaken between NCG and Cumbria Colleges Limited.

The Executive Director and Secretary to the Board is the chair of One Awards, a charity offering access to Higher Education Diplomas, Accreditation services and training to learning providers. NCG had £nil owing at 31 July 2023 (2022: £1,000) and there were transactions during the year of £nil (2022: £20,000). This charity was placed into insolvency on the 24 October 2022.

The Principal of Newcastle College is a trustee of Newcastle United Foundation, who subcontracts work from NCG. On 31 July 2023, there was £nil balance due to or owed by NCG, with transactions during the year totaling £643,000.

One local board member is a member of the senior management team at Teeside University. There were transactions during the year totaling £5,000, with £nil balance due to or owed by NCG at 31 July 2023.

One member of the board is a member of the External Advisory Group for T Levels for the Education and Training Foundation. During the year there were transactions totaling £12,000 purchase ledger and £12,000 sales ledger, with a balance owed to NCG of £1,000 as at 31 July 2023.

27. Related party transactions (continued)

One local board member is Vice Chancellor and Chief Executive for the University of Cumbria. An independent governor on the Corporation board is also a director at the same institution. Transactions during the year totaled £1,000. There was no balance owing to or owed by NCG as at 31 July 2023.

Following the 2022 year-end, there was a change to the constitution of Newcastle College Student's Union (the SU), and it was integrated into Newcastle College. As such, the SU is longer identified as a separate entity from NCG.

28. Amounts disbursed as agent

Amounts disbursed as agent

	As at 31 July 2023 £000	As at 31 July 2022 £000
ESFA 16-19 bursary	2,595	1,982
ESFA 16-19 Vulnerable bursary	159	317
ESFA Advanced Learner Loans bursary	549	616
Other funding body grants	264	252
	3,567	3,167
Disbursed to students	(3,188)	(2,890)
Administration costs	(133)	(106)
Balance unspent at 31 July included in creditors	**246**	**171**

Funding body grants are available solely for students. In the majority of instances, NCG only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

Independent auditor's report on regularity

To: The corporation of NCG and Secretary of State for Education acting through Education and Skills Funding Agency ("ESFA")

In accordance with the terms of our engagement letter dated 7 July 2023 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by NCG during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by ESFA and in any relevant conditions of funding, concerning adult education notified by a relevant funder.

This report is made solely to the corporation of NCG and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of NCG and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the corporation of NCG and ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of NCG and the reporting accountant

The corporation of NCG is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by the Code our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work, which suggests that in all material respects, expenditure disbursed, and income received, during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by ESFA. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity and propriety.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the financial memorandum with the ESFA/funding agreement with the ESFA.

- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with the requirements of HM Treasury's "Managing Public Money" document.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed, and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, that the financial transactions do not conform to the authorities that govern them.

Signed: Mazars LLP

Mazars LLP

Date: 20/12/2023

GLOSSARY

Acronym	Meaning
AEB	Adult Education Budget
AoC	Association of Colleges
ASHP	Air Source Heat Pump
AV	Audio Visual
CARE	Career Average Related Earning
CJRS	Coronavirus Job Retention Scheme
CPD	Continuing Professional Development
DfE	Department for Education
DLUHC	Department for Levelling Up, Housing and Communities
EAUC	Environmental Association for Universities and Colleges
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
EDIB	Equality, Diversity, Inclusion and Belonging
ESFA	Education and Skills Funding Agency
ESOL	English for Speakers of Other Languages
FE	Further Education
GMP	Guaranteed Minimum Pensions
HE	Higher Education
I&A	Instruments and Articles of Government
KPIs	Key Performance Indicators
LED	Light Emitting Diode
LGPS	Local Government Pension Scheme

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GLOSSARY (CONTINUED)

Acronym	Meaning
LIBOR	London Inter Bank Offered Rate
LPFA	London Pension Fund Authority
MHCLG	Ministry of Housing, Communities and Local Government
OfS	Office for Students
Ofsted	Office for Standards in Education, Children's Services and Skills
ONS	Office for National Statistics
PV	Photovoltaic
QAA	Quality Assurance Agency for Higher Education
SAR	Salf-Assessment Report
SDF	Strategic Development Fund
SLC	Student Loans Company
SORP	Statement of Recommended Practice
SPA	State Pension Age
SPH	Senior Post Holders
SU	Students' Union
TPS	Teachers' Pension Scheme
TWPF	Tyne and Wear Pension Fund
VAT	Value Added Tax

APPENDIX

LOCAL COLLEGE BOARDS

The members who served on the Local College Boards during the year and up to the date of signature of NCG report and financial statements are as listed in the tables below:

Carlisle College Board						
Name	**Appt.**	**End of Appt.**	**Category of Appointment**	**Reappointment Details**	**Meetings attended**	**Out of a possible**
Sarah McGrath	May 21	N/A	Principal		6	6
Darren Crossley	Mar 17	Mar 20	Independent (Chair)	Mar 20 – Mar 24	6	6
Stephen Gilby	Jul 18	Jul 21	Independent	Jul 21 – Jul 25	5	6
Brian Hough	Dec 17	Dec 20	Independent	Dec 20 – Dec 24	4	6
Chetna Reay	Jul 19	Jul 23	Independent	Jul 23 – Jul 24	5	6
Nigel Woodcock	Jul 19	Jul 23	Independent		2	6
Andrew Abernethy	Jul 19	Jul 23	Independent	Jul 23 – Jul 24	6	6
Julie Mennell	May 22	May 26	Independent		3	6
John Townson	Jan 23	Jul 23	Student	Resigned May 23	0	2
Ashley Graham	Mar 23	Mar 25	Staff		3	3
Husamettin Kocaturkmen	Feb 22	Feb 24	Staff	Resigned Nov 22	0	2

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APPENDIX

LOCAL COLLEGE BOARDS (CONTINUED)

Kidderminster College Board						
Name	**Appt.**	**End of Appt.**	**Category of Appointment**	**Reappointment Details**	**Meetings attended**	**Out of a possible**
Cat Lewis	Jan 21	N/A	Principal		6	6
John Widdowson	Sep 21	Dec 22	Independent (Interim Chair)		2	2
Lisa Gregg	Jul 22	Jul 26	Chair		5	6
Cathy Shaw	Mar 20	Mar 24	Independent		5	5
Janak Patel	Nov 20	Nov 24	Independent	Resigned Sep 22	1	1
Simon Hyde	Mar 21	Mar 25	Independent	Resigned Jul 23	2	5
Dale Parmenter	May 21	May 25	Independent		2	6
Ian Hinksman	Nov 22	Nov 26	Independent		4	5
Matt Cooney	May 23	May 27	Independent		0	2
Claire Wanless	Oct 21	Oct 23	Staff		0	3
Kelly Wilson	May 23	May 25	Staff		1	2
Ryan Campbell	Oct 22	Jul 23	Student		4	5

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APPENDIX

LOCAL COLLEGE BOARDS (CONTINUED)

Lewisham College Board						
Name	**Appt.**	**End of Appt.**	**Category of Appointment**	**Reappointment Details**	**Meetings attended**	**Out of a possible**
Gerard Garvey	Dec 21	N/A	Interim Principal		5	6
Simon Russell	May 20	May 24	Independent (Chair)		6	6
Lekhnath Pandey	May 15	May 23	Independent	Jan 20 – May 23	3	5
Hilary Moore	Dec 14	Dec 22	Independent	Dec 22 – Dec 23	5	6
Linlin Jin	Jan 20	Dec 23	Independent		1	6
Phoebe Juggins	Feb 20	Feb 24	Independent		5	6
Deavon Baker-Oxley	Nov 20	Nov 24	Independent		6	6
Garineh Mirzaei	Dec 21	Dec 23	Staff		2	4
Fiona Fraser	Oct 20	Oct 22	Staff	Oct 22 – Oct 23	4	6
Abdulmalik Jinadu	Jul 22	Jul 23	Student		4	6

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APPENDIX

LOCAL COLLEGE BOARDS (CONTINUED)

Newcastle College Board						
Name	**Appt.**	**End of Appt.**	**Category of Appointment**	**Reappointment Details**	**Meetings attended**	**Out of a possible**
Scott Bullock	N/A	N/A	Principal		6	6
Alex Turner	Jul 19	Jul 23	Independent (Chair)	Jul 23 – Jul 24	6	6
Lynne Shaw	Nov 17	Nov 20	Independent	Nov 20 – Nov 24	5	6
Jonathan Eaton	Feb 20	Feb 24	Independent		5	6
Gary Cumiskey	Jul 22	Jul 26	Independent	Resigned May 23	1	4
Simon Bowker	Nov 22	Nov 26	Independent		2	5
Sadie Gormally	Feb 22	Feb 26	Independent		6	6
Graham Harwood	Mar 23	Mar 27	Independent		1	2
Lindsay Gaskill	Feb 23	Feb 25	Staff		3	6
Lucy Hall	Jul 22	Jun 23	Student		4	5
Jacob McGregor	Jul 23	Jun 24	Student		0	1
Emma Campbell	May 22	May 24	Staff	Resigned Dec 22	1	2

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APPENDIX

LOCAL COLLEGE BOARDS (CONTINUED)

Newcastle Sixth Form College Board						
Name	**Appt.**	**End of Appt.**	**Category of Appointment**	**Reappointment Details**	**Meetings attended**	**Out of a possible**
Simon Ross	Dec 21	N/A	Principal		6	6
Geoff Phillips	Feb 18	Feb 21	Independent (Chair)	Feb 21 – Feb 25	5	6
Lesley Pender	Sep 19	Sep 23	Independent		5	6
Alan Hodgkiss	Oct 21	Oct 25	Independent		5	6
Jack Garrett	Oct 21	Oct 25	Independent	Resigned May 23	1	4
James Widmer	Feb 22	Jul 23	Parent		4	6
Stephen Joel	Jul 22	Jul 24	Staff		4	6
Sarah Beech	Sep 22	Jul 26	Independent		2	4
Sasha Quigg	Sep 22	Jul 26	Independent		4	6
Jonathan Valentine	Feb 23	Feb 24	Student		1	3
Manar Amir	Feb 23	Feb 24	Student		1	3
Matthew May	Mar 22	Mar 23		Resigned Jan 23	1	2

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APPENDIX

LOCAL COLLEGE BOARDS (CONTINUED)

Southwark College Board						
Name	**Appt.**	**End of Appt.**	**Category of Appointment**	**Reappointment Details**	**Meetings attended**	**Out of a possible**
Jane Button	N/A		Principal		7	7
Kim Caplin	Sep 20	Sep 13	Independent (Chair)		6	7
Elaine Hawkins	Dec 14	Dec 19	Independent	Jan 20 – Dec 22	3	3
John Jeffcock	Feb 20	Feb 24	Independent	Resigned Feb 23	3	4
Holly Roberts-Harry	Feb 21	Feb 25	Independent		7	7
Roy Senoga	Feb 21	Feb 25	Independent		6	7
Jasmine Ali	May 21	May 25	Independent		2	7
Austen Atkinson	May 22	May 26	Independent		5	7
Jo Young	May 22	May 26	Independent		5	7
Martha Mackenzie	May 22	May 26	Independent	Resigned Jan 23	0	3
Hannah D’aguiar	Feb 22	Feb 24	Staff		4	7
Georgia Russell	Mar 22	Mar 24	Staff		3	4
Mary Ougundario	Jan 23	Jan 24	Student		3	3

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APPENDIX

LOCAL COLLEGE BOARDS (CONTINUED)

West Lancashire College Board						
Name	**Appt.**	**End of Appt.**	**Category of Appointment**	**Reappointment Details**	**Meetings attended**	**Out of a possible**
Denise Williamson	N/A	N/A	Principal		3	3
Mark Whitworth	Jan 18	Jan 21	Independent (Chair)	Jan 21 – Jan 25 Resigned Mar 23	1	2
Paula Gamester	Nov 19	Nov 23	Independent		3	3
Rebecca Butcher	Nov 20	Nov 24	Independent		1	3
Jane Galbraith	Mar 19	Mar 23	Independent	Mar 23 – Jul 23	2	3
Jackie Moran	Feb 22	Feb 26	Independent		2	3
Jual Bercial	Feb 22	Feb 24	Staff		1	2
Rebeca Ionita	Nov 22	Jul 23	Student		1	1

2023 NCG Statutory Accounts

Final Audit Report 2023-12-20

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