

REASEHEATH COLLEGE BOARD

**Minutes of the meeting held on Thursday 13 December 2018 at 9.45am
L3/4 Philip Leverhulme Centre and Committee Room, Reaseheath College**

- Present Karol Bailey (independent) KB
 Colin Baxter (independent) CB
 Marcus Clinton (principal) MC
 Jane Cowell (associate) JC (*items 1-12*)
 Andrew Fletcher (independent) AF
 Francesca Francis (independent) FF
 Prof Chris Gaskell (independent) CG
 Dr Elizabeth Harrison (independent) EH
 Megan Marriott (student) MM (*items 1 - 10*)
 Anne McKay (staff) AM (*items 1-14 and 16*)
 Luci Newell (student) LN (*items 1- 14*)
 David Pearson (independent, Chair) DP
 Angela Potter (independent) AP
 Alastair Taylor (independent) AT
- Attending Peter Green (governor designate) PG (*items 1- 14*)
 Peter Greenall (assistant principal, dean of HE) PGreenall (*items 1-14 and 16*)
 Matthew Gower (assistant principal) MGower (*items 1- 14*)
 Sarah Houghton (assistant principal) SH (*items 1-14 and 16*)
 Graeme Lavery (chief finance officer and director of resources) GL (*items 1-14 and 16*)
 Dave Kynaston (vice principal) DPK (*items 1- 14*)
 Paul Spearritt (assistant principal) PS (*items 1-14 and 16*)
 Louise Woodman (HR director) LW (*items 1-15*)
 Nicola McCleave (health and wellbeing manager) (*item 13*)
 Elaine Edwards (wellbeing advisor) (*item 13*)
 Asmah Ahmed (wellbeing officer) (*item 13*)
 Evelyn Davies-Jones (co-opted audit committee member) (*item 16*)
 Jackie Schillinger (clerk) JS

Content	
1.	<p>Welcome and apologies for absence</p> <p>The Chair welcomed all to the meeting. In particular, he welcomed the student governors, with Megan Marriott attending her first meeting as the Further Education student governor. He noted that Megan had lecture commitments later that morning and so she would need to leave the meeting early. Apologies were received and accepted from Malcolm Burns, Jon Furber, Mike Gorton, Robert Icke, Richard Ratcliffe, Professor Tim Wheeler, Charlie Woodcock and Louise Young.</p> <p>The meeting was declared quorate and remained quorate throughout.</p>

<p>2.</p> <p>2.1</p> <p>2.2</p>	<p>Declarations of Interest and Annual Declaration of Eligibility</p> <p>The declaration of interests form was circulated. There were no interests declared as giving rise to a conflict of interest in relation to the agenda items for the meeting.</p> <p>The annual declaration of eligibility and commitment to the governor code of conduct was made by governors in the meeting on the form provided and returned to the Clerk at the end of the meeting. <i>ACTION: absent members to complete - JS</i></p>
<p>3.</p> <p>3.1</p> <p>3.2</p>	<p>Minutes of the meeting held on 8 November 2018</p> <p>Part A of the minutes of the meeting held on 8 November 2018 were approved as a correct record and, with the correction of some typographical errors, a corrected copy was signed by the Chair. Under matters arising from the action log:</p> <ul style="list-style-type: none"> • DP asked about progress on the farm in terms of the environment agency report and housekeeping issues. MC and DPK confirmed good progress has been made on both issues, with the environment agency actions substantially complete, but the agency has yet to visit again. DP emphasised that the actions from 8 November regarding the farm health and safety in the spring term be given priority in order to provide the necessary assurance to governors. • JC referred to her comment in 6.2 of the minutes to reiterate the importance of responding both as Landex and as an individual college to the consultation on T Level funding. In terms of the programme weighing, she expressed her view that it will be essential to make the case for the additional costs facing land-based residential provision and the relevance of the huge resource going into wellbeing for these students, as well as the large number of students on extended work placements. MC confirmed that the college would respond to the consultation separately as well as part of Landex and would copy to governors for information once it had been submitted. <i>ACTION: T Level funding consultation response sent to governors on submission.</i> <p>The confidential Part B minutes of the meeting held on 8 November 2018 were approved as a correct record and signed by the Chair. There were no matters arising.</p>
<p>4.</p> <p>4.1</p>	<p>Chair's Report</p> <p>The Chair provided feedback from his activities since the previous board meeting on 8 November 2018, including:</p> <ul style="list-style-type: none"> • College matters -enjoyed the opportunity of visiting the Food Department on a learning walk and really good to meet front line staff and speak to students • Quality and Standards Committee, Higher Education and Finance and General Purposes Committee - attended all three and great to confirm Alastair, Francesca & Liz as respective chairs. • Continue regular meetings with Clerk and Principal. In addition, recently met with CFO and Director of Resources to discuss period 3 management accounts and to gain assurance on action plan in place (as reported elsewhere in the meeting). • With Principal and Clerk, agreed reporting for this term, to include deep dives into financial health and management and mental health and wellbeing. • National - attended the first meeting of Department for Education (DfE) Governance Advisory Group, which will yield valuable insights for us, with DP's input pushing the need for one code of governance covering the needs of Association of Colleges (AoC), Ofsted and DfE.

	<ul style="list-style-type: none"> • Attended the Wednesday session of the AoC Conference in Birmingham, with an interesting discussion regarding digital strategies, mental health and board development, with DP expressing his view that any initiative in the education sector on mental health needs to be joined up with the NHS to ensure effective supervision and support for students. • The governance self-assessment summary and development plan is provided on the agenda for approval (on the governor portal). DP highlighted the good progress on improving governors' engagement with teaching and learning and the student experience via learning walks on 8 November and plans for next term include student focus groups for the link visits.
4.2	The meeting received the Chair's report, for information, with thanks.
5.	<p>Principal's Report</p> <p>5.1 The Principal provided an update on college performance since the previous board meeting on 8 November 2018, including:</p> <ul style="list-style-type: none"> • The weekly monitoring at executive level and robust actions and mitigations in place to recover the identified shortfall in 'other income' at period 3, with funded income lines still looking strong. Some non-pay pressures and some positive variances and pay savings expected also. He noted that these are detailed in the Strategic Risk Register paper and also supplemented by the deep dive financial management session later in the meeting. • Recent success as the college becomes the first in the world to achieve AA status for the British Retail Consortium (BRC) food production factory audit. JC suggested that the college should write to inform the minister of its BRC AA status. He also confirmed the good news that the college is shortlisted as a finalist in the AoC Beacon Award for Wellbeing. <i>ACTION: Consider publicity of BRC success, including with DfE</i> • The many events (listed in the report) held/attended which serve to further the profile and positivity of Reaseheath to a range of stakeholders. • The work on the Local Enterprise Partnership (LEP) Institute of Technology (IoT) continues, which should be a substantive and beneficial project for Reaseheath to be a partner in. AT asked for clarity on the use of the IoT name, with MC confirming the background to the government's strategy that the LEP is now interpreting as a virtual project bringing existing providers together and is more likely to be branded as a skills for growth project. • DP commented on the excellent presentation that he attended given by the Student Association as part of an assessment for the Queen's Award in relation to its voluntary work (equivalent to the Queen's honours list for groups) that will be announced in the summer and noted that it was a fantastic achievement to get to this stage of the process, whatever happens. Student governor LN gave her view from being part of the presentation that she thought it had gone really well and the feedback was very positive. <p>5.2 The meeting received the Principal's report, for information, with thanks.</p>
6.	<p>Annual Health and Safety Report</p> <p>6.1 The Chief Finance Officer and Director of Resources GL presented the annual health and safety report for information and assurance. The meeting noted that the report had been presented to the recent Finance and General Purposes Committee for scrutiny. GL explained that this is the first year that the college has had a full time dedicated health and safety manager in post and this has shown results in the increased profile and reporting that can be seen. Governors had considered the report in advance of the meeting and had some questions in the meeting. These were:</p> <ul style="list-style-type: none"> • DP welcomed the open recording culture that has seen an increase in reporting. He asked for some more information on an incident in catering involving some non-working machinery. GL

6.2	<p>explained the context and assurance was received that action had been taken to ensure that all staff understood the standard operating procedures in catering.</p> <ul style="list-style-type: none"> • PG welcomed the full-time health and safety manager role as a real strength, as he said from his experience this level of resource is unusual in the college sector. He queried the level of assurance in relation to off-site activities, including work experience and also the college subsidiary company DART Limited. GL explained the training in place for the workplace assessors and the checks that the Health and Safety Manager does on workplace assessments. In relation to DART, GL confirmed that reporting is now coming in centrally to the Reaseheath Health and Safety Manager and through to the weekly executive reports and that new software recently installed will improve the ease of reporting in DART. He noted that a DART learner had recently lost his life in a road traffic accident on the way to work, which was not a health and safety incident for DART, but a very tragic accident and that the team had been in touch with the learner’s family. The board members expressed their deepest sympathy for the young person’s family. • CG supported the development of the near miss reporting system, and said he can see, apart from some early glitches, that it is having an impact. He asked that it be made clear in communications that the cryptosporidium infection affects healthy animals as well and is not confined to disease situations and that it is very important that students understand this. <i>ACTION: Cryptosporidium clarification in wording.</i> • AT expressed the view that getting under the skin of the near miss reporting is important and AF agreed that this is a great skill for learners to have as they come into the agricultural industry. AT asked about the types of incidents coming under near misses and DPK explained the context that this includes unsafe situations and therefore it may be useful to clarify the wording further. <i>ACTION: Clarify what comes under near miss reporting.</i> • AT asked that governors become more involved in health and safety walks when they come in to do their link visits. <i>ACTION: Include health and safety walks for governors on college visits.</i> <p>DP confirmed that the meeting received the report for assurance with thanks, that the points raised be noted and actioned and that the increased scrutiny of health and safety on the farm will be reported through to the board in the year ahead.</p>
7.	<p>Strategic Plan Monitoring: Strategic Risk Register and Key Performance Indicators (KPIs)</p> <p>7.1 The Principal, MC, presented the key risks to the achievement of the strategic plan, in the context of the strategic risk register. He highlighted the current risk levels in relation to ‘other income’, non-pay costs, mental health/complex needs of students, and staffing in certain areas. The meeting considered the strategic risk register, which had been substantially updated with the KPIs since the committee meeting cycle. Questions and discussion followed, including the following key points:</p> <ul style="list-style-type: none"> • DP welcomed the development of the risk register and the prioritising of risk consideration early in the meeting agenda. He welcomed the mapping of strategic risks against strategic objectives to allow the governing body to monitor risks to the achievement of the college strategic plan, as well as ownership by the governing body sub-committees and the executive team members. MC confirmed that the college is rolling out the same structure of risk consideration at operational level throughout its internal meeting structure. • EH echoed the positive development in risk management and noted that the risk register and KPIs have changed and been updated since the recent Finance and General Purposes Committee, which she chairs, and so it is proving a very useful dynamic document for strategic risk monitoring. • EH asked about the recent resignation of the Head of Technical Services and any potential adverse impact on the quality of ICT services at college as well as the full implementation of data protection compliance in accordance with the recommendations of the internal audit report. GL

7.2	<p>explained the succession planning in place for this position, which involved using existing technical expertise and bringing in a new role, with outside expertise used where needed, for example if it is felt that additional resource is needed to complete the data protection compliance implementation. He also noted that discussions are taking place on the role of Data Protection Officer.</p> <ul style="list-style-type: none"> • CG expressed his support for the development work on the farm strategy, but he cautioned on increasing the herd unless the risk of bringing in TB is very closely managed. All agreed and noted that the farm steering committee with governor involvement would play a key role in developing the farm strategy. • PG asked about how the halls of residence income had been impacted by free transport this year. MC noted that these aspects would be looked at in detail in the financial management session. • JC emphasised the need to use the residential bursary to its full extent and GL agreed that the college is looking at how it can maximise this use within the regulations. JC added that there are plans to consult on student bursaries and so it will be important for the college to consider and respond to this consultation, when it is available. <i>ACTION: consider and respond to student bursary consultation, when available.</i> <p>DP confirmed that the meeting received the risk report for assurance and thanked members and managers for the useful discussion on the management of current key risks.</p>
8.1	<p>8. Annual Equality Diversity and Inclusion Report</p> <p>The Assistant Principal, Quality and Learner Services, MGower, presented the Annual Equality, Diversity and Inclusion Report and action plan for approval and publication on the college website. On consideration of the report in the meeting:</p> <ul style="list-style-type: none"> • PG asked how the college compares to others in the sector in terms of the cost of supporting students to access and remain in education. MGower noted that this was a good question and MC also noted that it would be worth looking at this with Landex for some comparative data. MGower acknowledged that the college is known for the amount it does to support students and the support for students with particular needs is seen as very high quality, recognised in its Ofsted care standards ‘outstanding’ and its Beacon award shortlisting. PG said that his impression is that the college does more than most and that it will be important to look at how this can continue to be funded and how the college can work more closely with other bodies with statutory responsibility for health and wellbeing, with these needs in the student population increasing all the time. • AM asked about the 19+ male achievement rate RAG rated amber in the report. MGower explained that the data indicates a difference between male and female achievement rates at 19+ and this is why it has been flagged. • JC suggested looking again at the groups for monitoring as the Free School Meals number of starts is a small number and so perhaps considering a larger group as well, for example, according to English and maths results might be useful. MGower agreed this could be included in the data going forwards as a useful addition. <i>ACTION: Consider additional groups to monitor, eg English and maths.</i> <p>8.2 RESOLVED: Receive and note the action plan of the Equality, Diversity and Inclusivity Annual Report and approve the report for publication on the college website.</p>

<p>9.</p> <p>9.1</p> <p>9.2</p> <p>9.3</p> <p>9.4</p>	<p>2017-18 Year End Financial Statements</p> <p>The Chair of the Audit Committee, CB presented the Audit Committee Annual Report, including the annual internal audit opinion from internal auditors, RSM, for assurance. The Audit Committee reported its opinion that the Corporation has adequate and effective assurance arrangements, framework of governance and risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets. DP asked about an aspect of the internal audit service report on cyber security and requested and received assurance that the college is sufficiently covered whilst a new system is being completed. The meeting received the annual report for assurance in advance of its consideration of approval of the college financial statements.</p> <p>The CFO and Director of Resources, GL presented the Financial Statements Auditor Completion Report providing an unqualified opinion, without modification, that the financial statements give a true and fair view of the state of the college’s affairs as at 31 July 2018 and that they have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice. In addition, the Finance Statements Auditor Completion Report stated that its regularity audit confirmed that nothing has come to the auditor’s attention that in all material respects the income and expenditure has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities that govern them. These external audit assurances were received by the meeting in advance of consideration of approval of the college financial statements. It was noted that the report had been scrutinised at the joint audit and finance and general purposes committee meeting, and a couple of points for clarification were made:</p> <ul style="list-style-type: none"> • Assurance was provided to the meeting that the only outstanding matters in the audit completion report were the finalisation of the financial statements and post balance sheet review, which remain outstanding until signature of the accounts and the evidence of the VAT position in DART, which is awaiting HMRC confirmation. GL confirmed the wording of the report as submitted will reflect this. • In response to an earlier query by Jon Furber (independent member), who was unable to attend the meeting, GL highlighted the reason for the prior year adjustment to ensure that the meeting fully understood why this had been made. He explained the prior year adjustment had come about in relation to the Kingsley Fields sale where an error had been recognised by the college team in January 2018, in relation to the treatment of professional costs, and brought to the attention of auditors, who had also missed the issue in the prior year audit and it was agreed to restate the prior year figures. GL assured governors that the impact of this error was minimal and has a minor impact on the current ratio and no impact on cash flow. • JC asked whether the student debt was realistic to recover, and GL confirmed that the college actively seeks recovery and considers it realistic to pursue recovery. <p>GL presented the review of the year-end financial outturn against the budget (bridge report) to ensure that the meeting understood any variation of adjustments made from period 12 management accounts to the financial statements.</p> <p>GL presented the Audited Financial Statements for the period ending 31 July 2018 and the Management Representation Letter for approval. The meeting noted that the statements had been scrutinised by the Finance and General Purposes Committee and recommended for approval. The year-end financial statements showed the adjusted operating surplus at £815k, compared to the budget of £650k, with this increase due to some late income, with assurance received that this has been addressed going forwards. On consideration of the consolidated financial statements and in the context of the assurances received from auditors and the audit committee, the meeting approved the statements, as recommended.</p>
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<p>9.5</p> <p>9.6</p> <p>9.7</p> <p>9.8</p>	<p>RESOLVED:</p> <ul style="list-style-type: none"> i. Financial Statements for the year to 31 July 2018 are approved and the Chair and the Principal are authorised to sign the statements. ii. The terms of the management representation letter are approved; iii. The ESFA Finance Record 2017/18 is approved. <p><u>Confidential Part B item</u></p> <p><u>Confidential Part B item</u></p> <p><u>Confidential Part B item</u></p>
<p>10.</p> <p>10.1</p>	<p>Items for Approval/Ratification</p> <p>RESOLVED: The following items were approved/ratified:</p> <ul style="list-style-type: none"> i. College Self-Assessment Report 2017-18 ii. HE Assurance Statement Office for Students, including Self-Evaluation Document and Quality Improvement Plan iii. Governance Self-Assessment Report and Action Plan iv. Young Persons Safeguarding Policy v. Safeguarding Adults Policy
<p>11.</p> <p>11.1</p> <p>11.2</p>	<p>Committee Reports</p> <p>The following papers were received for information, with full unconfirmed minutes of the committee meetings to follow by email:</p> <ul style="list-style-type: none"> • Quality and Standards Committee Chair’s Report • Higher Education Committee Chair’s Report • Finance and General Purposes Committee Chair’s Report • Audit Committee Chair’s Report <p><u>Confidential Part B item</u></p>
<p>12.</p> <p>12.1</p>	<p>Information/Assurance reports</p> <p>The following reports were received for information and assurance:</p> <ul style="list-style-type: none"> • College Seal Report • Capital Projects Report • Department for Education College Governance Guide November 2018 • Annual Report Further Education Commissioner November 2018
<p>13.</p> <p>13.1</p>	<p>Safeguarding, Wellbeing and Prevent</p> <p>The Annual Safeguarding, Wellbeing and Prevent Report was received for information and assurance. Members noted that the report had been scrutinised in the Quality and Standards Committee meeting and it was subject to the deep dive session in this meeting to focus on the increasing pressure on college resources to meet the needs of students with mental health needs.</p>

13.2	<p>Mental Health and Wellbeing: Governor key questions and discussion: The Health and Wellbeing Manager and two members of her team joined governors for an hour long question and discussion session on the work of the wellbeing team, local, regional and national developments and the challenges of supporting the increasing needs of students in this context. The supporting papers to this workshop session included the AoC report on methodologies for developing mental health and wellbeing in colleges and case studies, the AoC wellbeing and mental health self-assessment tool for colleges, and the Ofsted October 2018 guidance for inspecting safeguarding annex 1: safeguarding requirements for leaders and managers. A number of outcomes from this session would be taken forward, including:</p> <ul style="list-style-type: none"> • Ideas to bring a wellbeing, resilience and mental health awareness culture further within the everyday curriculum in the same way as the college is seeking to do with a health and safety culture. • Developing the Reaseheath Health and Wellbeing Training Package that is initially aimed at staff and includes mental health first aid, and further developing this for students. • Providing more development for staff at the applications and enquires stage to increase the effectiveness of the initial information the college receives on student support needs • Further work in engaging with outside agencies to increase effectiveness in working together, with work on looking internationally as well as nationally for good practice.
13.3	<p>DP thanked the wellbeing team for joining the session and said that meeting the team and discussing matters in detail had provided very useful assurance to the governing body on how the college is meeting its safeguarding responsibilities in this area. He asked the team whether they felt supported and adequately resourced by the college leadership team and received assurance that the team is currently working well and that management are very well aware of and engaged in the resource needs of this area of support. The team confirmed that the service provides swift help where this is needed and there is no waiting list for support and support is provided for as long as necessary. He expressed his view on behalf of all governors that the level of service is very high and a credit to the college and that the governing body thanks the team for all the fantastic work that they do in supporting students and staff at the college.</p>
14.	<p>Date of next meetings</p>
14.1	<p>The dates of the next meetings were confirmed as:</p> <ul style="list-style-type: none"> • Governor strategy day: Evening session and dinner Thursday 28 February at 5pm and Friday 1 March 9am – 4pm. • Thursday 21 March 2019 at 9.45am
15.	<p><u>Confidential Part B item</u></p>
<p>The morning meeting ended at 1pm and lunch followed. After lunch, the meeting reconvened for a financial management focus session from 1.30pm to 3.15pm</p>	
16.	<p><i>Co-opted Audit Committee member Evelyn Davies-Jones joined the session</i></p> <p>Financial Management Focus</p>
16.1	<p>Governors received the following information as part of the deep dive financial management session in relation to the college context:</p> <ul style="list-style-type: none"> • AoC briefing on the college insolvency regime • AoC Report on college finances September 2018

<p>16.2</p> <p>16.3</p>	<ul style="list-style-type: none"> • ESFA Finance Dashboard Reaseheath College October 2018 (previously scrutinised at 8 November Board meeting) • AoC Guide to financial questions for governors • The annual report on college performance against the financial objectives • The latest management accounts and cash flow forecast • The college financial plan (approved July 2018) assumptions. <p>In the 1 hour 45 minute session, led by the CFO and Director of Resources, GL, the financial strategy and audit requirements of the Code of Good Governance for English Colleges were considered in the college context, for assurance. The period three management accounts and the executive action plan for monitoring and recovery of risk areas was then considered in detail. Following this, the college financial objectives and KPIs were explained and discussed to ensure that governors understood the purpose of each, how these provide assurance to governors and their evaluation and usefulness in the current sector and college context. It was noted that these financial KPIs are now also included within the strategic risk register KPIs.</p> <p>The session provided much questioning and discussion to aid understanding, with members commenting that they found it extremely helpful in providing a deeper level of understanding and assurance on college finances and the management of the current risk areas. It was agreed that an update before the next board meeting in March would be provided around the time of the next Finance and General Purposes Committee meeting in February, unless there was a need to escalate any significant adverse change to the board before then. Key areas of questions and actions coming out of the discussion included:</p> <ul style="list-style-type: none"> • The forensic scrutiny at weekly executive meetings of the actions needed to meet the outturn position this year and the reporting through to governors of any increased risk this year • The requirement to ensure through the budgeting process this year that income targets are assured and accurate so that there is no need for reliance on underspend on pay costs or other non-recurring items • The planned zero budget approach for 2019 and the support needs for managers to be able to engage in this effectively • The approach to contribution to central by different departments and the robust management processes in place to manage the consequences of the approach this year • The need to keep the contribution to central within a range as too high a contribution is just as much a warning sign as too low • An explanation of the programme weighting funding system as it affects the college and its curriculum planning • The development towards a business unit mentality, supported by bringing in a 3 year budgeting tool for business units as resource allows • The need to consider the transport strategy going forwards and the financial impact of free transport as part of the strategy considerations • The need to consider a more flexible accommodation strategy going forwards • The ongoing need to consider the risk of interest rate rises • An explanation of each of the bank covenants and financial KPIs and the consideration in particular of the usefulness of the target surplus versus the target EBITDA, as well as a detailed look at the appropriate minimum EBITDA for the college, with this agreed to be further considered by the Finance and General Purposes Committee in February for recommendation to the board.
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The meeting ended at 3.15pm.