

REASEHEATH COLLEGE BOARD
BOARD MEETING

**Minutes of the meeting held on Thursday 21 March 2019 at 9.30am
D6/D7 in the Food Centre, Reaseheath College**

- Present Colin Baxter (independent) CB
 Malcolm Burns (independent) MB
 Marcus Clinton (principal) MC *(items 1 – 18 inclusive)*
 Andrew Fletcher (independent) AF
 Francesca Francis (independent) FF
 Prof Chris Gaskell (independent) CG
 Mike Gorton (associate, independent) MG
 Peter Green (independent) PG
 Dr Elizabeth Harrison (independent) EH
 Luci Newell (student) LN *(items 1 – 18 inclusive)*
 David Pearson (independent, Chair) DP
 Angela Potter (independent) AP
 Richard Ratcliffe (independent) RR
 Alastair Taylor (independent) AT
 Prof Tim Wheeler (independent) TW
 Charlie Woodcock (independent) CW
- Attending Peter Greenall (assistant principal, dean of HE) PGreenall *(items 1-18 inclusive)*
 Matthew Gower (assistant principal) MGower *(items 1-18 inclusive)*
 Sarah Houghton (assistant principal) SH *(items 1-18 inclusive)*
 Graeme Lavery (chief finance officer and director of resources) GL *(items 1-18 inclusive)*
 Dave Kynaston (vice principal) DPK *(items 1-18 inclusive)*
 Paul Spearritt (assistant principal) PS *(items 1-18 inclusive)*
 Louise Woodman (HR director) LW
 Jackie Schillinger (clerk) JS
 Jessica Hassall-Gibson, curriculum area manager, equine JHG *(items 1 – 4 inclusive)*
 Caroline Booth, curriculum area manager (croft and burrows lane) CBooth *(items 1 – 4 inclusive)*

PART A

item	Content
1.	Welcome and apologies for absence
1.1	The Chair welcomed all to the meeting. Apologies were received and accepted from Karol Bailey, Jane Cowell, Jon Furber, Anne McKay, Paige Reedman and Louise Young. The meeting was declared quorate and remained quorate throughout.

2.	<p>Declarations of interest</p> <p>The declarations of interest 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. The Principal was not in attendance for the confidential item for independent governors only, in relation to the Remuneration Committee meeting minutes.</p>
3.	<p>Appointment of Governors</p> <p>3.1 RESOLVED: In accordance with the Instrument and Articles of Government, the following appointments were approved:</p> <ol style="list-style-type: none"> i. Paige Reedman as FE student governor (to replace Megan Marriott who has had to step down) for the 2018-19 academic year ii. Liz Green as the business support staff governor for a period of three years from 21 March 2019 iii. Peter Green as an independent governor for a period of three years from 21 March 2019 iv. Professor Gary Crowe as an independent governor for a period of three years from 21 March 2019.
Governor development	
4.	<p>Insight into Equine</p> <p>JHG and CBooth, curriculum area managers for the college’s equine provision at the main campus and at the two out centres, joined the meeting. They informed members about the current equine curriculum offer, the industry engagement and employability aspects of the offer, the performance of the department and the latest developments, as well as some of the challenges the department is currently facing. The presentation contained a video featuring students providing feedback on their experiences and the benefits of the programmes. The presentation also included a number of case study/examples of students’ work experience and destinations that they had moved on to after study. DP thanked JHG and CBooth for their very informative presentation and welcomed questions from members:</p> <ul style="list-style-type: none"> • PG asked how the student experience differs at the out centres to that at the main campus. JHG explained that the out centre students tend to do very well. She added that the staff team across both are very integrated and so the provision is consistent, but that the out centres have an advantage of being commercial businesses and so to some extent the students at out centres benefit more from a real work environment. The out centres also tend to have smaller groups and a smaller community feel. The out centres do not have residential provision and so the students do not have the living on campus whole experience; • DP asked how the college ensures oversight of quality at the out centres. JHG explained that the staff are employed by the college and are well integrated into the equine team, with full participation in CPD, strategic planning and other department initiatives. CBooth confirmed that she visits regularly as part of her oversight role to monitor quality and see the students. DP asked if students have a way of escalating concerns and CBooth gave assurance that this is the case; • FF asked for assurance that legal agreements are in place with the out centres to ensure continuity of study and protect the students. SH confirmed that agreements are in place; • MG asked about student numbers in equine. JHG confirmed that there are currently 160 students across all sites and that applications for September are currently up by about 45%. MG asked if there is a ceiling to the numbers that can be accepted. SH responded that whilst some growth can be accommodated, there is an eventual limit due to the current infrastructure limitations and the new road for the new housing estate could well limit this further. She added

	<p>that it is hard to know yet how much the road will impact but that it is very close to the rear of the equine facility. She noted that she is concerned about the temporary impact of construction work and noise on the facility, which could potentially impact on student numbers for a few years;</p> <ul style="list-style-type: none"> • EH noted that the next year when construction work will take place will be very important to communicate clearly with students and mitigate the impact as much as possible to ensure the student experience remains high quality; • DP asked whether the college estates plan will include best use of the campus and take into account some of the infrastructure issues that are emerging. MC agreed that the next stage of the estates plan development was taking place, alongside strategic planning and the business planning process.
Standing items	
<p>5.</p> <p>5.1</p> <p>5.2</p>	<p>Minutes of the meeting held on 13 December 2018</p> <p>Part A of the minutes of the meeting held on 13 December 2018 were approved as a correct record and signed by the Chair. There were no matters arising.</p> <p><u>Confidential Part B item.</u></p>
<p>6.</p> <p>6.1</p> <p>6.2</p>	<p>Chair's Report</p> <p>The Chair provided feedback from his activities since the previous board meeting on 13 December 2018, including:</p> <ul style="list-style-type: none"> • His attendance, with a number of other governors, at the college staff conference on 28 January 2019, attended by most of the staff body. He commented on the excellent speakers, breakout sessions and workshop sessions, which captured much valuable feedback for the strategic planning process. He noted that he enjoyed taking part in the open forum panel discussion at the end of the event. He felt that it has informed the strategic planning process and the emerging themes were shared with governors at the governor strategic planning event on 1 March 2019; • His forthcoming attendance at the college student conference on 3 April, where he will take part in the open forum panel discussion with students; • He continues his regular meetings with the Principal and the Clerk. In addition, he confirmed that he met with the CFO, Principal and finance governor Jon Furber to discuss the latest financial position. He added that the Finance and General Purposes Committee held a conference call for all governors following its meeting on 14 February and provided an update to all governors on the period 5 financial position, as agreed in the board meeting on 13 December. He noted that the period 6 position is provided on the agenda for this current meeting; • He emphasised that mental health and wellbeing remain a key area of focus, and a full termly report is made to this meeting. In light of the importance of this area across all of the college's provision, he explained that reporting is now made termly at board level, rather than committee level, to ensure all governors have full awareness. • The dates for the next meetings of the Department for Education's National Governance Advisory Group have now been confirmed and he will be attending the next meeting on 26 March in London. • The excellent sector update provided by Richard Caulfield of AoC North West at the governor strategic event. <p>The meeting received the Chair's report, for information, with thanks.</p>

<p>7.</p> <p>7.1</p> <p>7.2</p>	<p>Principal's Report</p> <p>The Principal provided an update on college performance since the previous board meeting on 13 December 2018, including:</p> <ul style="list-style-type: none"> • Performance measures for 17/18 demonstrate that the college performed well when benchmarked against comparative land based providers and Cheshire colleges, largely ranking first. English is a notable area that requires improvement as is assessment and feedback in HE. In year performance for 18/19 is encouraging with comparative retention, high attendance and student satisfaction. Health Checks, Observations, Learning Walks and Notice to Improve tracking all further endorse a strong picture. Alignment with the new Ofsted EIF and evidence gathering is gaining momentum; • A revised performance monitoring process gave all college management team (CMT) an opportunity to discuss all aspects of their areas with executive, triggering wide ranging discussions after submitting a template with concise performance analysis. The overall impression was positive with actions for each area added to the Quality Improvement Plan (QIP). Themes included various space needs, attendance in some areas, specialist staffing pressures and compliance with the BeReady quiz and general progress tracking needing improvement; • Finance P6 management accounts demonstrate the college is currently behind the budget, due chiefly to shortfalls in non-core income. An anticipated shortfall in income at year end is forecast to be off set largely by pay savings. Work continues to mitigate all variances as much as possible. There will be some lines that finish ahead of budget, further helping. The 1% pay award was not awarded with three days' additional leave being granted at Christmas instead. Some of the forecast assumptions currently could improve, pending more evidence available. The college subsidiary company is a current focus, with work being carried out to get a robust end of year picture. Business planning has now commenced which will include the 19/20 financial plan. Recruitment is looking positive for 19/20, although the college is unlikely to see any HE growth. Allocations for 19/20 show a small reduction in 16-18, an increase in high need places and a reduction in adult education budget, however this line now tends to be adult loans and full cost; • The new strategic plan is now underway with consultations with CMT, governors and staff as well as executive discussions. The new business planning process now has to feed in. The aim is clear distinction between the day job and fewer stretch targets that can have focused effort in order they are achieved. All roads leading to ensure Reaseheath is financially strong, excellent in all we do, has a leading edge and is relevant. A successful staff conference was held in order for staff to feel fully involved in the process and deepen their understanding of the challenges to be overcome; • Much work has been carried out by the HE team with Chester University and RCVS in preparation for the Vet Nursing validation at end of April. This will be important new provision and as last year has a healthy number of applications. Work continues on curriculum development in FE (conversion to NQF Level 1 & 2 offer), HE (refreshing Equine, Natural Resource Management, reduction in taught modules) and Apprenticeships (standards and End Point Assessment). <p>The meeting received the Principal's report, for information, with thanks. A couple of questions followed:</p> <ul style="list-style-type: none"> • EH asked about the development of a new live data dashboard that the executive team have been working on. MC explained how this is working and being developed. He confirmed that it is a significant step forwards in improving data management and that a dashboard for governor use will also be developed;
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	<ul style="list-style-type: none"> PG asked how confident the college is that it will be successful in launching its vet nursing degree in 2019. PGreenall explained that the college is very hopeful, with the approach that the provision will build over the first couple of years and will be sustainable, with this communicated to the RCVS. He noted that the college should know by the end of April and will update governors accordingly; The meeting noted that the in depth session on financial monitoring later in the meeting would be the appropriate time to consider financial matters in more detail.
8.	Student Association Report
8.1	<p>Student Governor LN presented the Student Association (SA) report, providing an update to members on SA projects working alongside the student services team and other staff, including progress and impact. These included the following:</p> <p>BeEco – car parking; litter; recycling Be Aware – sexual consent; drink awareness; drugs awareness; Ask for Angela BeSafe – CPR training; buddy scheme BeInvolved – help the homeless; volunteering BeEmployable – careers project; twilight hour help Completed projects – See it Say it.</p> <p>LN’s presentation also included latest news on the SA RAG charity fundraising, student clubs and societies, social events and student engagement in college life.</p>
8.2	<p>DP thanked LN for her excellent presentation and the fantastic work that is undertaken by the SA to enhance student and college life. In terms of the projects, he thanked LN for updating members on progress and positive impact of these projects, many of which fit extremely well with the work of the college on safeguarding and health and safety issues. CG noted the litter problem that persists on campus and all members acknowledged that the college as a whole must up its game on litter, to support the work of the SA. The SA report was received, with thanks.</p>
9.	Safeguarding Wellbeing and Prevent Report
9.1	<p>The Vice Principal, DPK presented the termly Safeguarding, Wellbeing and Prevent Report for information and assurance. He noted the context of reporting to full board meetings each term from now on and provided an overview of the key issues, as follows:</p> <ul style="list-style-type: none"> There has been a significant focus on further training and raising awareness of current safeguarding issues for both staff and students in the first term of 18/19 with topics focussing on County lines, Prevent, CSE and spotting signs of abuse. Term 2 has focussed on raising awareness in students of the dangers of drug abuse, and involvement with the police in tackling a heightened drug issue in Nantwich and on campus; External speakers have presented to staff whilst all full time FE students have followed a weekly programme of BeReady topics focussing on safeguarding topics (BeAware & BeSafe) and Wellbeing topics (BeWell); There have been 2 referrals to Channel (Prevent) so far and 2 referrals related to suspected County lines activity; There was a spike in incidents of antisocial behaviour, particularly related to in fighting amongst students with a suspect gang forming called the Winsford Warriors. The Safeguarding and Campus supervisor teams have been working hard to neutralise this threat involving police and suspending/expelling a number of learners. In term 2 incidents have been less frequent following a number of expulsions and withdrawals; The student body still feel very safe on campus over 98% of learners stating they feel safe on campus in the FE Pulse 1 Survey with this rising to 99% in the pulse 2 survey. All students who

	<p>state they do not feel safe in college or that they have been the victim of bullying are contacted with any issues or actions implemented immediately;</p> <ul style="list-style-type: none"> • The concerning spike in consent issues of 17/18 has not yet continued in 18/19 following a number of actions including specific student induction training, and the introduction of additional supervision in the evening of blocks; • Mental Health issues continue to rise year on year with the Wellbeing team being particularly stretched due to high volume of student and staff referrals and staff sickness within the team. This trend has continued into term 2 with significant pressure on the team to meet the demand of a continue flow of students requiring intervention of stress, anxiety, self-harm and unfortunately a rising number of students with suicidal ideation. This increase is more significant in the HE cohort so far in 1819; • The number of Looked after Children (LAC) has also risen significantly in 18/19 with over 80 learners classed as LAC. This results in significant administration with each LAC requiring a Personal Education Plan (PEP) with termly meetings and action planning. This is currently being co-ordinated by one of the Wellbeing Advisors which adds additional strain onto the team; • Despite these challenges the wellbeing team are managing to maintain no waiting lists for high risk students and the Wellbeing Service scored highly in the Pulse 2 survey with 98% satisfaction; • In March the College will attend the AoC Awards as finalists in the AoC Beacon Award for Health and Wellbeing. <p>9.2 DP thanked DPK for his comprehensive report, from which the meeting could take good assurance on the management of safeguarding, wellbeing and prevent risks. He then asked for feedback on report format and content for board level reporting. PG said that he found the visual presentation useful, but that he would welcome some commentary in the body of the report to bring out more clearly the key issues that DPK had shared in the meeting. He wondered whether the board needed the level of individual incident detail currently provided, as long as the board knows that this level of detail is there for managers. FF agreed that the board needs the assurance that the detail is being managed properly, rather than all the detail itself. PG also noted that previous suggestions of the report providing information on apprentices using the wellbeing services and the number of exclusions still needed to be incorporated if possible. AT noted that he would like to see the data dashboard include safeguarding data. GL confirmed that he would look at this as part of the development of this tool. AT also noted that it would be helpful to receive further assurance on the management of knife crime issues in the reporting. MGower explained the recent pro-active work the team has carried out with students and staff on knife crime issues as well as drugs issues. DPK gave assurance that there had been no connection with county lines drugs issues at college and the referrals that were made did not show a link. EH noted that the wellbeing service pie chart does not give her an idea of the hotpots within curriculum and it would be helpful to be able to drill down within department to see how many students within a department are requiring support to give an idea of level of need.</p> <p>9.3 DP summarised that the meeting received the very helpful report for information and assurance and that it would develop further to support board assurance. He welcomed its position on the agenda and supported the reporting of the SA project work, safeguarding and then health and safety as a suite of assurance reports. He noted the suggestions from the meeting for managers to consider when developing the reporting for the next meeting:</p> <ul style="list-style-type: none"> • Consider including less individual incident details, but more commentary on key issues for assurance • Assurance on how knife crime risk is managed • Provide some information on use of the wellbeing service by apprentices • Provide information on the number of exclusions • Provide an indication of hotpots of wellbeing need within curriculum departments • Look to incorporate safeguarding and prevent reporting into the dashboard development.
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<p>10.</p> <p>10.1</p> <p>10.2</p>	<p>Health and Safety Report</p> <p>The Chief Finance Officer and Director of Resources GL presented the termly health and safety report for information and assurance. He provided an overview of the key issues, as follows:</p> <ul style="list-style-type: none"> • The weekly Health & Safety report to the executive team now covers both Reaseheath and the college subsidiary company to ensure that there is full oversight, highlighting any concerns from the previous week and trends year to date; • Whilst the number of reported incidents has increased this is encouraging and supports the work being carried out by the Health and Safety committee in winning hearts and minds which will support a change in behaviour and ultimately a maturing in our H&S culture; • The college has had 10 RIDDOR reportable incidents (one Apprentice which is reportable by the employer) in this period which is an increase on the previous year, although in line with historic trends. It should be noted that all incidents are investigated and remedial action/training are put in place to support both college staff and students; • The main success year to date has been the increase in near miss and unsafe acts reported across the college. There is still a lot of work to do. This improvement has happened whilst the college is implementing a temporary solution for recording and investigating the H&S incidents. The college recognise that this is time consuming and not fully effective. The H&S manager supported by the CFO has been looking at industry software that would reduce the admin burden on staff whilst improving reporting further; • Work has continued with the H&S Action plan and the H&S committee are supporting developments across the college; • The Head of Property and the H&S manager are working on the statutory compliance register which will provide a more detailed overview of the college’s statutory requirements and how assurance can be evidenced. <p>DP confirmed that the meeting received the report for assurance with thanks. He welcomed any questions. AF asked if the near miss reported incidents are being investigated. GL confirmed that they are and that actions/learning are taken from them. He noted that the college is working to make this process as easy as possible for those reporting incidents otherwise any unnecessary burden on the individual reporting the near miss might prevent a culture of reporting. MC noted that the RIDDOR reportable incidents will also include the actions/outcome in the next report to ensure the board can take assurance that the loop has been closed. <i>Action: GL</i></p>
<p>11.</p> <p>11.1</p>	<p>Strategic Plan Monitoring: Strategic Risk Register and KPI tracking</p> <p>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 key areas of current risk, as follows:</p> <ul style="list-style-type: none"> • The college financial position as at period 6 remains behind the budgeted surplus, very similar to period 5. The income year to date is a positive variance to prior year income, but is adverse to budgeted income year to date, due to the shortfall against budget in ‘other income’ as flagged to the board previously. The recent Finance and General Purposes Committee meeting and the finance update conference call and note circulated to all governors following that meeting provided the detail beneath the headlines. At period 6, this remains the position – that the year-end surplus position can be recovered to much closer to budget, with the in-year actions in place; • The financial performance of the college subsidiary company is flagged on the risk register and will impact on the college group surplus position, with this being monitored closely by the subsidiary Board and reported through to the college board via the company chairman’s report and company strategic risk register, on the Board meeting agenda as a confidential item;

11.2	<ul style="list-style-type: none"> • Staffing recruitment and retention continues as a high priority to reflect the ongoing persistent issues with recruiting and retaining staff in Engineering, Construction and Apprenticeship assessors. Whilst the impact college-wide is moderate as there is stable staffing in other areas of college provision, these specific areas remain a challenge and are an urgent priority focus for the executive team; • Safeguarding in the context of mental health issues is a high priority this year, with a spike in the number of students FE & HE receiving and asking for support for mental health and complex needs issues, as flagged in previous reports to the board this year. This is in line with the national picture at both colleges and universities. The college is seen as a leader in this respect, for example the AOC Beacon award – highly commended and shortlisted finalist and that our Wellbeing Manager is asked to speak at national conferences. However, the pressure is causing a strain on our resources and we are now seeing a rising number of more extreme cases taking up a lot of staff time. Whilst we have a strong team in place and do well compared to many, managing this rising resource need will be a challenge going forward; • Safeguarding more generally and health and safety are long-standing amber risks primarily because work is on-going and there are always developments being put in place as well as responding to daily safeguarding flags. The executive team have raised the profile of health and safety and we do see an improving culture of awareness/reporting/investigation/action. Recently we have reviewed security procedures and looked at the issue of knife crime raising awareness of our position with both staff and students. Our safeguarding procedures are robust but there are always improvements that can be made. Thus, due to the volume of work and potential impact of these areas they are not rated Green. <p>DP confirmed that the meeting received the risk report for assurance that the college is aware of the key strategic risks and taking steps to manage those that require further control actions. He noted that the strategic risk register and KPI reporting has really developed this academic year and that he feels assured on the visibility of key risks to the achievement of the strategic plan that has allowed the governing body to focus its oversight on these areas. He welcomed any questions. CB confirmed that the audit committee echoed the view expressed and that he felt that the college auditors find the risk register much improved. DP asked DPK if the college is making representations to the external bodies with statutory responsibility for mental health in the local area to ensure that they provide support to help the college and share accountability for risk in this area. DPK confirmed that the college is doing so and that it has had support from the Clinical Commissioning Group (CCG), including having a nurse specialist at college for a half day a week. DPK also noted that he is aware of much more work now being done on mental health and building resilience in the early years and schools sector and that hopefully this work will start to show as the year groups come through. FF requested that the whistleblowing policy be added to the risk controls for risk 8. <i>Action: JS to add to risk register.</i></p>
Items for decision	
12.	<p>Items for Approval/Ratification</p> <p>12.1 The following points were raised in relation to the discussion on items for approval/ratification:</p> <ul style="list-style-type: none"> • The Scheme of Delegation should also look to include the college subsidiary memorandum of association, once approved, to explain the governance relationship; • The TEF submission paper contained in the board pack was an incorrect version - the correct version was provided to the meeting and its prior approval by the HE Committee confirmed; • The gender pay gap report indicates that the college is making improvements in closing the gender pay gap and it expects to see a further improvement next year as its action to increase its lower pay scale to above minimum wage starts to come through in the reporting; • In response to a query from EH, FF confirmed that the HE Committee had a thorough discussion on raising the foundation degree fee level to that of the degree fee level and supported the

	increase due to parity of provision, quality value, student feedback and market/competitor analysis.
12.2	RESOLVED: The following items were approved/ratified: <ol style="list-style-type: none"> i. Colleges' Senior Post Holder Remuneration Code approved ii. Memorandum of Understanding between Reaseheath College and DART Limited approved iii. Higher Education Tuition Fees Policy 2020-2021 approved iv. Teaching Excellence Framework (TEF) Independent Review submission ratified v. Gender Pay Gap Report March 2019 approved and signed by the Chair vi. Reaseheath College Scheme of Delegation, subject to the further amendment agreed in the meeting to add wellbeing in the reference to safeguarding reporting.
Items for information/assurance	
13.	Committee Reports
13.1	The following Committee Chairs' reports and unconfirmed committee minutes were received for information and assurance: <ul style="list-style-type: none"> • Search and Governance Committee 29 January 2019 • Quality and Standards Committee 11 March 2019 • Higher Education Committee 26 February 2019 • Finance and General Purposes Committee 14 February 2019 • Audit Committee 14 March 2019
13.2	<u>Confidential Part B item.</u>
14.	Information/Assurance reports
14.1	<u>Confidential Part B item.</u>
Items for in-depth review	
15.	Financial Monitoring
15.1	The CFO, GL, presented the period 6 management accounts. He confirmed that the position as at period 6 remains behind the budgeted surplus, very similar to period 5. He noted that the income year to date is a positive variance to prior year income, but is behind budgeted income year to date, due to the shortfall against budget in 'other income'. At period 6, the forecast position is that the year-end surplus position can still be recovered closer to budget, with the in-year actions in place. He added that the group position will be impacted by the year-end subsidiary company position. Questions and discussion followed: <ul style="list-style-type: none"> • DP asked for confirmation on whether the forecast that the college will not meet its budgeted surplus (whilst still achieving a surplus) should be escalated to the ESFA. GL confirmed that there is no formal requirement in the sector to do so, but that colleges keep their ESFA contacts informed on their finances regularly. He confirmed that the college is complying with all reporting requirements and ensuring good communication on an ongoing basis; • DP commented that the savings in the establishment budget have helped this year and that the board will expect to see robust budgeting in the summer term to avoid the same issues next year; • MG asked about the elements of the budget that have caused surprises this year, as he felt there had been a number of issues. In particular, he asked why the transport costs had been higher than expected. GL replied that this was the first year that the college had offered free transport

and it proved to be more successful than expected with the need to add duplicate transport on college routes. MGower added that the college transport is a quality product and a USP for the college and has been very successful, but that the college needs to budget more accurately for next year and also build in the cost efficiencies that it has been working on this year, to reduce the overall cost;

- DP asked about the college cash flow position. GL confirmed this is strong. EH added that she took assurance that cash flow is considered by the college on a weekly basis and is reported to governors on a monthly basis;
- FF referred to the final page of the management accounts and queried the low spend showing currently on bursary funds. PGreenall confirmed that this is a profiling issue rather than an underspend;
- CG queried the governance process around the executive decision to not pay the 1% pay award to staff, which was announced just before Christmas. JS noted that governors approved the pay award of 1% in July 2018, subject to the college meeting its targets, which executive then consider in the autumn term and this decision is reported to governors. MC explained that the decision was taken just before Christmas to allow an extra three days' holiday over the Christmas break and to not make the pay award, due to the financial performance against budget targets. He confirmed that he informed the Chair, DP, who supported the decision and an email was sent to all governors to inform them of this action. CG acknowledged that he may have missed this email as he did not recall it. DP confirmed that due process was followed and that he had spoken to MC about the decision and supported it. MC and LW noted that the extra holiday over the Christmas period was very well received by staff, with a lot of feedback that this was valued more than the 1% award this year. LW confirmed that she has only received a negative comment from one member of staff, with many positive ones. CG noted a point of caution though that a staff pay award positively impacts in future years, whereas the extra holiday was a one off and he felt that the college must be careful to not underestimate any negative impact on staff. He noted that these kind of decisions can benefit from governor input and this is why he queried the point. LW acknowledged this concern, but also gave assurance that the staff pay award is always communicated very clearly as subject to college performance and tends not to be taken as a given by the staff. She added that Reaseheath is the only college in the area that has been able to make any pay awards over the past few years. DP thanked CG for raising the important point on ensuring governor oversight of the staff pay award policy.

15.2 Confidential part B item.

15.3 The CFO recommended approval of an amendment to the college's six KPI's that provide a basket of measures to assure the governing body and management team regarding the financial position of the college. He noted that the current basket of measures is: Maintain a minimum of good Financial Health; Meet the bank covenants; College surplus to be a min of 1 -3% of Turnover; Current ratio to be a min of 1.25:1; Maintain min 25 cash days; and *Deliver a min cash inflow of £2M*. He explained that a discussion was held at the Finance and General Purposes Committee meeting on removing the final KPI (Cash inflow) and replacing it with the educational specific Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) ratio. He explained the rationale that the insolvency regime puts focus onto the underlying financial performance of the college and the EBITDA focuses on operational performance, which enables comparison between businesses within the same sector without knowledge of accounting policies, working capital, and debt or investment requirements. He confirmed that the Finance and General Purposes Committee agreed that the use of EBITDA will enable the governing body to gain assurance of the underlying college performance, facilitating comparison between prior years and ensuring the college is generating sufficient earnings to meet its investment and debt servicing requirements. AP confirmed that from her banking experience, this is the KPI that the banks work on

15.4	<p>and she felt that it was appropriate. The recommendation was made to move to an EBITDA target of £3m.</p> <p>RESOLVED: Replace the existing KPI cash inflow of £2m with an educational specific EBITDA KPI target of £3m.</p>
16.1	<p>16. College Farm</p> <p>The board had requested a report on the farm during the previous round of meetings. The report made to this meeting was prepared by the new Farm Manager Ed Parrish and the Vice Principal, DPK, who had taken on executive oversight of the farm from the Principal. DPK explained that the report was based on the initial position statement and options report that had been taken to the first scoping meeting of the new farm steering committee. He presented the report for discussion, including the current position on the land holdings, initial findings and limitations and financial performance. Overall, he reported that the farm is currently under-performing financially, although there are some obvious areas where quick improvements can be made. He also noted that there is work to do to ensure that individual enterprises and the farm in general demonstrate best practice in aspects of Health, Safety, Welfare, Environment Agency and Environmental Health. He added that the vision for the farm is to be a model of best practice in all areas. A number of governors with farming expertise are members of the new farm steering committee and they echoed the views expressed by DPK.</p> <ul style="list-style-type: none"> • CG noted the huge potential for the farm to be a real part of the curriculum offer and that he could see that change is already happening; • MG agreed that the culture change needed to become ‘a farm on a college’ has started under the new management and it is very encouraging; • AF agreed and he also noted that the team need to be very aware to avoid getting tripped up with cross compliance and farm assurance issues as the farm strategy develops; • RR agreed and expressed his view that the report was very helpful and is a good start. He expressed a note of caution though that some of the changes will need significant investment. EH wondered whether a modular approach to investment could be taken and MG agreed that there may be things that can be done prior to major investment, which will move the farm up a level before needing to come back for more investment. MB noted however that sometimes on farms modular growth is difficult and there is a need to put some major investment in at an early stage, so this will need to be considered carefully in the farm strategy; • PG asked about the position on land purchase. RR noted that it beneficial for the college to secure more land. However, MB noted that he would not be keen on any land purchases without a clear farm strategic plan and college estates strategy. He added that it may be that the college decides it wants a smaller farm rather than a larger one, for example. MC and DP agreed and noted that the farm vision and strategy would be captured in the strategic planning and estates planning process, currently underway; • CG gave his view that the accounting model is key to achieving a credible teaching farm, as it needs to recognise teaching as a diversification income for the farm. <p>DP thanked members for the discussion and requested reporting next term on the options review for the farm and the developing farm strategy. He noted that the options review would be reported to the next farm steering committee to be held in April, before coming back to the board.</p>
16.2	<p>The Farm Environment Agency (EA) assurance report, was received. The board had requested further assurance at its last round of meetings on the actions in place to comply with the EA recommendations, identified at that time as a risk. The report was received, providing good assurance that the actions had been implemented and the risk well managed. DPK reported that the college Health and Safety Manager is also working well with the new Farm Manager to manage health and safety risk on the farm.</p>

AOB and next meeting	
17.	Any Other Business
17.1	There was no other business reported to the meeting. The Chair, DP, asked all present if there were any matters or risks that they wished to raise but had not had a chance to in the meeting. There were no other matters raised.
18.	Date of next meetings
18.1	The dates of the next meetings were confirmed as: <ul style="list-style-type: none"> • Wednesday 22 and Thursday 23 May 2019 – Hartpury away event • Thursday 11 July 2019 college board meeting.
Items for independent governors only	
19.	Confidential Part B - Independent governors only

The meeting closed at 1.40pm

Following lunch, governors took part in student forum meetings with Link Departments

Signed:

Dated: