

REASEHEATH COLLEGE BOARD
BOARD MEETING

**Minutes of the meeting held on Thursday 11 July 2019 at 9.30am
FF01/FF02 in the Food Futures Building, Reaseheath College**

- Present Karol Bailey (independent) KB
 Colin Baxter (independent) CB
 Marcus Clinton (principal) MC (*items 1 – 13 inclusive*)
 Jane Cowell (independent) JC
 Prof Gary Crowe (independent) GC
 Prof Chris Gaskell (independent) CG
 Mike Gorton (associate, independent) MG
 Peter Green (independent) PG
 Dr Elizabeth Harrison (independent) EH (*all except item 4*)
 Anne McKay (staff) AM (*items 1 – 17 inclusive*)
 David Pearson (independent, Chair) DP (*all except item 4*)
 Richard Ratcliffe (independent) RR
 Alastair Taylor (independent) AT
- Attending Peter Greenall (assistant principal, dean of HE) PGreenall (*items 1- 17inclusive*)
 Matthew Gower (assistant principal) MGower (*items 1-17 inclusive*)
 Sarah Houghton (assistant principal) SH (*items 1-17 inclusive*)
 Glyn Ferriday (director of marketing, income generation and communications) GF (*items 1-17 inclusive*)
 Graeme Lavery (chief finance officer and director of resources) GL (*items 1-17 inclusive*)
 Dave Kynaston (vice principal) DPK (*items 1-17 inclusive*)
 Paul Spearritt (assistant principal) PS (*items 1-17 inclusive*)
 Louise Woodman (human resources director) LW (*items 1-17 inclusive*)
 Sarah Hopkinson (curriculum area manager) SHop (*items 1 – 5 inclusive*)
 Alan Brown (curriculum area manager) AB (*items 1 – 5 inclusive*)
 Simon Burgess (head of projects, research and innovation) SB (*items 1 – 5 inclusive*)
 Jackie Schillinger (clerk) JS

PART A (unless stated)

item	Content
1.	<p>Welcome and apologies for absence</p> <p>The Chair, DP, welcomed all to the meeting. Apologies were received and accepted from Malcolm Burns, Jon Furber, Andrew Fletcher, Louise Young, Liz Green, Angela Potter, Luci Newell, Paige Reedman, Tim Wheeler, Charles Woodcock and Francesca Francis. The meeting was declared quorate and remained quorate throughout.</p>

2.	<p>Declarations of interest</p> <p>The declarations of interest form was circulated. The Chair and Vice Chair declared an interest in relation to item 4 on the agenda and left the meeting for this item. JC, MG and PG declared an interest in relation to item 3 on the agenda but were not required to leave for this item, as the approval was on recommendation of the Search and Governance Committee. MC declared an interest in relation to item 16 on the agenda and was not present for this item. There were no other interests declared as giving rise to a conflict of interest in relation to the agenda items for the meeting.</p>
3.	<p>Appointment of Governors</p> <p>3.1 RESOLVED: In accordance with the Instrument and Articles of Government, the following appointments were recommended by the Search and Governance Committee and APPROVED:</p> <ul style="list-style-type: none"> i. The re-appointment of Elizabeth Harrison and Charles Woodcock as members of the Board for a period of three years from 1 August 2019; ii. The re-appointment of Prof Tim Wheeler as a member of the Board from 1 August 2019 to 31 December 2019; iii. The appointment of Mike Gorton and Jane Cowell as members of the Board for a period of three years from 1 August 2019 (at the end of their term as Associate members); iv. The governor membership of the DART Board is refreshed with Peter Green and Jane Cowell to be appointed as Non-Executive Directors of DART Limited by the DART Limited Board, with Emily Thrane, Jon Furber and Richard Ratcliffe stepping down as Non-Executive Directors of DART Limited. <p>3.2 CG noted that it will be important to engage with the new Vice Chancellor of the University of Chester to discuss how to best use the mutual governance positions within the strategic alliance. CG also noted that the potential to increase the size of the board in the autumn term (if needed) should be considered carefully as it seems to be against the tide of governance in the sector with smaller boards becoming more common. The Chair, DP, acknowledged the concern and assured CG that the Search and Governance Committee is aware of the need to see this period as a temporary increase for succession planning purposes and that there will be the opportunity to manage the numbers back down to the usual maximum over the next couple of years as existing terms of longer standing members come to an end. JS commented for information that the internal auditors had suggested in the Audit Committee meeting that the recent trend of much smaller boards and carver style governance structures may be coming to an end as the FE Commissioner is strongly advocating a more committee based governance structure, certainly in relation to finance committees, which in turn tends to lead to a larger board membership.</p>
4.	<p><i>DP and EH left the meeting for this item</i></p> <p>Appointment of Chair and Vice Chair/s for 2019-20</p> <p>4.1 RESOLVED: David Pearson is appointed to the role of Chair for the year 1 August 2019 to 31 July 2020.</p> <p>4.2 RESOLVED: Dr Elizabeth Harrison is appointed to the role of Vice Chair for the year 1 August 2019 to 31 July 2020.</p>

<p>5.</p> <p>5.1</p> <p>5.2</p>	<p>Development Session: Ensuring the curriculum is relevant and meets the needs of employers and learners</p> <p>Members received a presentation from Curriculum Area Managers Sarah Hopkinson and Alan Brown and Head of Projects, Research and Innovation, Simon Burgess. The purpose of the session was to share the development of the land-based offer via the Academy of Land and Environment and the work of the Projects, Research and Innovation team to support a research-informed curriculum. The presentation set out the policy context and external drivers, as well as the vision and goals of the new approach and the opportunities and intended positive impact for students and employers. It also set out the aims of the Projects, Research and Innovation team in supporting the curriculum and moving from a ‘funding led’ to ‘funding fed’ model for research and innovation.</p> <p>Questions and discussion followed:</p> <ul style="list-style-type: none"> • JC commented that the developments are stimulating and exciting. She questioned whether the approach means a larger programme and an increase in costs and funding. She also wondered if the students would be ready for this change, if the college is ahead of the curve, and how this will be managed. Finally, she asked how the college will judge progress and whether the risks had been considered in the light of impacts on European funding etc. SHop confirmed that there will be no increase in the size of the programme and that there will be a careful transition process, building the holistic approach into the existing programme. She also confirmed that a risk management exercise had been undertaken and a change management programme planned. She noted that the team sees the next year as a managed change year where the students will experience programmes that are enhanced rather than different, with longer term transformation taking three to five years; • MG fully endorsed the idea saying that it was not long overdue but overdue. He could clearly see how the agricultural students would benefit, but he wondered what the impact would be for other programmes such as Fisheries. SHop provided some examples of where she could see the benefits across the horticulture and countryside departments as well. She noted that the floristry department was aiming to introduce more sustainable elements and practice, linking with the agricultural department in the use of field margins for example; • AT supported the development and was pleased to see the college had considered the risks involved. He suggested that a dotted line to the agricultural engineering provision should also be part of the approach. He noted that the Quality and Standards Committee would be keen to monitor impact on students and quality of provision in the coming year; • MC responded to the discussion on risk to assure members that part of the aim of the approach was to refresh and sustain the offer in those areas of countryside and horticulture and to be more efficient and integrated in order to remain competitive in these areas; • CG commented that it will be important to seek a wider student base in order to grow in future, for example by attracting students interested in robotics and Artificial Intelligence (AI) and then teaching them about agriculture. DP agreed and noted that the Chief Executive of the Local Enterprise Partnership (LEP) had recently stressed exactly this need to transfer technology skills across industry sectors; • EH emphasised the need to carefully think through the identity of the student in implementing this change. She also asked that the board receives more information on how this development fits within the strategic plan and explicitly how it will support the strategic plan. <p>DP thanked the team for their presentation and for the discussion that followed, requesting that the development be clearly articulated within the strategic plan and noted that governors would look forward to monitoring progress in the coming year.</p>
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<p>6.</p> <p>6.1</p> <p>6.2</p>	<p>Minutes of the meeting held on 21 March 2019</p> <p>Part A of the minutes of the meeting held on 21 March 2019 were approved as a correct record and signed by the Chair. The rolling action log was considered, and updates sought where actions were ongoing. The action log was updated accordingly.</p> <p><u>Confidential Part B item</u> - The Part B minutes of the meeting held on 21 March 2019 were approved as a correct record and signed by the Chair. The confidential action log was considered, and actions were noted as complete or on the agenda at this meeting.</p>
<p>7.</p> <p>7.1</p> <p>7.2</p>	<p>Chair's report</p> <p>The Chair provided brief feedback from his activities since the previous meeting on 21 March 2019, including:</p> <p>Recent activities at college:</p> <ul style="list-style-type: none"> • the college student conference on 3 April, taking part in the open forum; • the student awards ceremonies on 27 and 28 June and the staff awards on 28 June that followed on from the student awards; • he was not able to attend the college staff development day on 1 July 2019, but two other governors attended, with sessions on Ofsted, equality and diversity and unconscious bias as well as skills and knowledge retention and tracking, setting high expectations for learners with SEND and Looked After Children and providing effective feedback; • the Family Festival on 19 May, attended by many governors and their families – a fantastic event, with thanks to Glyn Ferriday and his team; • the college PRIDE event on 13 May 2019; • the governor and executive away event to Hartpury University and College on 22 and 23 May 2019, with some dedicated time together on strategic planning and governance as well as gaining valuable learning and insight from the Hartpury team; • regular meetings with the Principal and the Clerk continue and also with the CFO and Director of Resources to gain assurance on finances for 2018-19 and budget planning for 2019-20. <p>Sector activities and developments:</p> <ul style="list-style-type: none"> • the Landex Conference on 8 and 9 May, attended alongside members of the executive team; • the AoC Principals' and Chairs' event on 25 June was very useful to attend with the Principal; • a meeting with Philip Cox, Chief Executive of the LEP, a great supporter of the college and noted the importance of promoting transferable stem skills within our strategic planning; • the 'well led' agenda is a priority in terms of governance and board development and the support from the Search and Governance Committee to undertake the Chairs' course, supported by the ETF, to ensure we can evidence sector specific development and CPD of the Chair; • In addition, over the summer and into the autumn term, the plan is to undertake development reviews with individual governors and the Clerk will be in touch to arrange; <p>DP thanked all governors and co-opted members of committees, for all their support, valuable contributions and significant time commitment this year. He also thanked the executive team and staff at the college for working with governors openly and constructively, which he noted had greatly supported the board in fulfilling its responsibilities. He gave a special thank you on behalf of the college and governors, to Richard Ratcliffe, Vice Chair of the Board, as he steps down as a governor and his role as a director of the college subsidiary company, at the end of the academic year. He noted that the</p>

	<p>college retains the benefit of Richard’s experience as a co-opted member of the Finance and General Purposes Committee in 2019-20. He also expressed thanks to Emily Thrane, as she steps down from her co-opted role on the Audit Committee and as a director of the college subsidiary company, at the end of the academic year. He noted that members would have the chance to thank Richard over lunch following the meeting and that a letter of thanks will be sent to Emily following the meeting.</p>
<p>8.</p> <p>8.1</p> <p>8.2</p>	<p>Principal’s Report</p> <p>The Principal, MC, presented his report, providing assurance that the college remains in a good position at year end and highlighting the following key points:</p> <ul style="list-style-type: none"> • Financial position for 18/19 has been improving with the forecast now looking at a surplus of close to £400k against the original budget of £550k. The saving in pay has mitigated where income has been behind budget; • The forecast outturn for the college subsidiary company has also improved to a small surplus, due to savings in pay and the impact on the group model with Reaseheath Training; • The budget for 19/20 has been completed with a targeted surplus of £200k with some contingency built in whilst the position around growth in 16-18 in September and positive impact of any increases in funding rate at spending review is clarified to allow the strategic plan to be implemented and mindful of being in scope for Ofsted. He added that the underlying cash position –the key measure – is within the agreed KPI and stronger; • Academic performance is forecast to be Qualification Achievement Rates (QAR) achievement for 16-18 of 85% +, which is well above national rates (NR), Adult 81-83%, which is on or slightly below NR, Apprenticeships 78% overall achievement and 70 % timely achievement, which is above NR; • There have been a number of positive events in this period including the Family Festival, FE presentation of awards, Student Conference, Student of the Term, Cheshire Show, Opening of Town Houses, College represented at London Borough Market and RAG week; • There have been a number of successes in this period including being awarded TEF Silver, Vet Nursing Degree Validation, runners up in the AoC Beacon Award for Well Being; • Recruitment is looking strong for 16-18 with applications 20% up. Apprentices will benefit from carry over and the continuing transition to higher value standards. HE based on firm intent looks to be static, with perhaps a small increase or small decrease; • Progress on managing key risks this year has been good, with the risks relating to the subsidiary company, the farm, the year-end outturn and specialist staffing all making positive progress and improving risk scoring; • Sector developments include the Augar Review, college of the future commission; opportunities presentation by the Institute of Technology (IOT) bid and the need for governors and the college to keep abreast of developments in the sector with the land-based picture looking particularly challenging for a number of colleges; • MC thanked governors for all their work and commitment to the college this year and the executive team that had worked hard to bring governors closer to the college and the educational provision, as well as increasing governor insight into risk areas. He also gave thanks on behalf of the college to GF, who would be moving on to another role in September, for his twelve years and huge contribution to the success of the college over that time. DP added his thanks to GF on behalf of all governors. <p>PG queried the progress made on finalising the strategic plan following the Hartpury event. MC explained that he has discussed this with DP, and they had agreed that it needed some further work over the summer and would be brought to the September development event for scrutiny and</p>

	<p>proposed approval. He assured members that the final draft would be sent out in advance of the meeting and that the presentation in September would involve executive members presenting sections of the plan. PG asked if the comments from Hartpury had been incorporated and MC confirmed that this feedback had been captured and would be incorporated. PG asked if there would be a chance for governors to input before the final version is presented for approval and MC confirmed that a draft would be sent out for comments, in advance of the September meeting. DP thanked PG for this challenge and noted that he was satisfied that the plan should be worked on further over the summer and time set aside for presentation by the executive team, that was not possible in this full meeting. DPK added that the planning this year had been more complex, looking at a five-year plan. Members received the Principal’s report with thanks and looked forward to receiving the final draft of the strategic plan for comment before the meeting in September.</p>
<p>9.</p> <p>9.1</p>	<p>Safeguarding, Wellbeing and Prevent Update Report</p> <p>The Vice Principal and Safeguarding Lead, DPK presented the Safeguarding, Wellbeing and Prevent Update Report. The report included the updated College Prevent Action Plan. He noted that the report updated to the end of May and that a full year reflective review report would come to the autumn term as part of the Self-Assessment Report (SAR) for this area of college provision. His report highlighted the following key points:</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 18/19 with topics focussing on County lines, Prevent, CSE and spotting signs of abuse; • External speakers have presented to staff whilst all full time FE students have followed a weekly programme of BeReady topics focussing on safeguarding (BeAware & BeSafe); • The actions put in place to manage the risk around issues of consent have been very effective with minimal issues this year; • There have been 2 referrals to Channel (Prevent) so far and 1 referral related to suspected County lines activity; • There was a spike in incidents of antisocial behaviour, particularly related to fighting amongst students with a suspect gang forming called the Winsford Warriors. The Safeguarding and Campus supervisor teams worked hard to neutralise this threat involving police and suspending/expelling a number of learners. As a result, incidents reduced significantly into term 2; • Incidents involving drugs on campus continues to be a challenge both in FE and HE. The team employs a number of measures to tackle this including commissioning sniffer dogs, liaising with local police and intelligence and close supervision of the campus using staff and CCTV. A number of students have been identified as potential suppliers during the year and strict punitive action has been taken including informing police/employers and expulsion; • The student body feel very safe on campus with over 98% of learners stating they feel safe on campus in the FE Pulse 2 Survey – any students who report feeling unsafe or bullied in a Pulse Survey are contacted with appropriate action taken in order to resolve the situation; • Mental Health issues continue to rise year on year with the Wellbeing team being particularly stretched due to the high volume of student and staff referrals and staff sickness within the team. The team presented a proposed resource strategy to Executive during the second half of term 1 and currently some further changes to the team are taking place; • The Wellbeing Team were runners up in the National AoC Beacon Award for Health and Wellbeing; • The number of Looked after Children (LAC) has also risen significantly in 18/19 with over 70 learners classed as LAC. This results in significant administration with each LAC requiring a

<p>9.2</p>	<p>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 on the team;</p> <ul style="list-style-type: none"> • There is currently a review of the Student Services and Wellbeing office spaces underway with a longer-term objective to relocate Student Services. This will ensure both support functions can operate more effectively and offer an enhanced student experience. <p>Members received the update reporting with thanks, and questions and discussion followed:</p> <ul style="list-style-type: none"> • PG requested that the executive team consider the governor action log requests in relation to the safeguarding reporting to see if and how these can be incorporated to be in place for next year; • PG also asked whether governors could see more information on LACs and the positive aspects of this as well in terms of how they are supported and how they perform. MGower confirmed that all LACs had been retained this year and had done well, though examination results are not yet in. MGower confirmed that he could build a filter into the data dashboard for LACs. DP asked the executive team about the burden of collecting the information for the governor report and noted that it would be good to review what is needed and can be reported on without creating an additional burden on the team. MG noted that the information on LACs for example would be very important for governors to see and DP agreed, and confirmed that he felt that an overall review in advance of next year’s reporting would be useful for both the executive team and governors; • In relation to supporting LACs, MG confirmed that there is significant extra work but no additional funding, unlike with Education Health and Care Plans (EHCPs). DP asked if the college is lobbying centrally through the AoC and Landex on this issue. JC added that the additional money for LACs could come from the disadvantaged block one uplift, but if the LAC students do not correlate with the disadvantaged uplift, the college will not be receiving the funding support it needs, so it is important to feed this up for central lobbying; • JC asked if the college thinks it is being firm enough on expelling for drugs related incidents. DPK provided some anonymous examples of action taken to provide assurance on the robust response of the college to disciplinary issues involving drugs. He noted that this was an important area to understand and that he could provide a more detailed overview of the college approach in the next report, for assurance.
<p>10.</p> <p>10.1</p>	<p>Health and Safety Update Report</p> <p>The CFO and Director of resources, GL, presented the Health and Safety Update Report for information and assurance. He confirmed that the executive team receive a weekly Health & Safety report covering both Reaseheath College and its subsidiary company, to ensure that there is full oversight, which highlights any concerns from the previous week and any emerging trends. He summarised the following main points from his report:</p> <ul style="list-style-type: none"> • Since the last report, the college has had 1 RIDDOR reportable incident and the subsidiary company has had 1 RIDDOR incident (an Apprentice in their place of work, which is reportable by the employer). All incidents have been investigated and remedial action/training put in place to support staff and students, with more detail in the appendix to the report; • The main success year to date has been the increase in the reporting of unsafe acts, near misses and accidents. This has resulted in an increase in the number of reported incidents. This is encouraging and supports the work being carried out by the cross-college group Health and Safety Committee in winning hearts and minds, to support a change in behaviour and ultimately a maturing in the health and safety culture; • These improvements have happened whilst the college is operating a temporary solution for recording and investigating health and safety incidents. It recognises that this is time

	<p>consuming and not fully effective. Therefore, the Health and Safety Manager, supported by the CFO, have been looking at industry software that would reduce the administration burden on staff whilst improving reporting further;</p> <ul style="list-style-type: none"> • Work has continued with the Health and Safety Action Plan and the Health and Safety Committee are supporting developments across the college. The Committee continues to support the Health and Safety Manager in the development of the Health and Safety Framework, which is part of the preparations for the British Safety Council five-star health and safety audit; • The Head of Property and the Health and Safety Manager have started working on two areas; the group’s health surveillance monitoring and the statutory compliance register, which will provide a more detailed overview of the college’s statutory and health surveillance requirements and how assurance is being evidenced. <p>10.2 Members received the report with thanks, and questions followed:</p> <ul style="list-style-type: none"> • CG queried the assurance reporting line to governors for health and safety and ultimate accountability for health and safety in the organisation. He noted that the Health and Safety Report comes to governors via the executive team, but he queried whether governors should be receiving reporting from the cross-college group Health and Safety Committee and even have a governor member on that committee to provide that assurance link. It was agreed that the executive team would consider these suggestions and clarify reporting lines and legal accountability in time for the next report to governors in the autumn term; • CG also queried whether, given the importance of farm health and safety, this ought to have a separate reporting line. EH noted that she had not easily seen the farm on the group accident analysis part of the report, so perhaps it could be more clearly reported. However, she could see that it was within the agriculture and farm section. GL confirmed that there is a planned change to the reporting that should help provide some further clarity, as the report will in future look at severity of incidents not just the number of incidents in an area. AT noted that he is taking on the role as the link governor for health and safety and so he can review his role with the executive team as to how lines of reporting and assurance can be most effective; • PG picked up some action points from the action plan and requested an update on progress. In particular, he queried progress on the five-star audit plan. GL updated on progress and all agreed that this audit would be an important piece of external assurance when completed; • Members looked forward to an update on accountability, reporting lines and assurance, including external assurance, in the autumn term.
<p>11.</p> <p>11.1</p>	<p>Strategic Objectives and KPIs</p> <p>The Principal, MC, presented the Strategic Objectives 2018-19 Review Report for information and assurance. He reported that overall good progress had been made with the strategic action plan areas and highlighted the following areas:</p> <ul style="list-style-type: none"> • Employer Engagement and Employability: A structure is in place for the new employer hub bringing a group approach to apprenticeship provision as well as joining up employer facing agencies in the college. This will make it easier for employers to access a menu of services and improve engagement and the amount of professional training delivered. The website/microsite offering a one stop shop for employers is nearing completion. Progression of extended work placements has been positive and exceeded the allocation. Good progress has also been made with employer engagement into curriculum areas in a number of ways. The CRM project is ongoing, but with the project lead leaving the college, dedicated resource will be needed to drive this forward more speedily in 19/20;

- Apprenticeships: Employer forums have been developed and are successfully feeding into the delivery of the new Standards. The development of the employer hub will aid enhancing and promoting more effectively the range of professional training courses of all types on offer. The job evaluation project has progressed and alongside the specialist staffing plan, progress should continue to be made on retaining skilled technical specialists;
- English and Maths: There have been positive steps with regards attendance in lessons and at exams themselves. Progress has been made with staff engagement and embedding into the curriculum. Achievement has been moving in the right direction although English is still lagging behind. It is hoped the higher attendance, delivery and support strategies will see further upward achievement when results are published;
- Higher Education: The new HE Learning, Teaching and Assessment Strategy and the new Graduate Tool Kit will both aid the increasing awareness in University Centre Reaseheath (UCR) of the need to develop employability skills and improve destination data. The activity by staff and students around scholarly activity has increased this year and this will be further supported by the new Research, Innovation and Projects team and the new HE workload model, introduced this year.
- Further Education: CPD will remain a priority and an aim is to facilitate more sector specific CPD. However, there has been an active cross-college CPD programme this year. Achievement rates are forecast to remain healthily above NR and students make good progress against start points, although more will be done in 19/20 to evidence this on an on-going basis in class. Pro Monitor usage and the improving live dashboard will further help evidence progress.

Members received the 2018-19 strategic objectives monitoring report for information and assurance.

11.2

MC presented the Strategic Risk Register and KPIs report for information and assurance. He confirmed that the executive team had reviewed the risk scoring and reported the improving picture on finance in terms of the year end outturn, supported by board oversight. He noted that the specialist staffing risk remains as a red risk currently. However, he noted that there are early signs of positive impact and the action plan to tackle this continuing concern was jointly scrutinised and supported by the Finance and General Purposes Committee and the Quality and Standards Committee. He noted that the other remaining red risk is in relation to the college subsidiary company, which is a substantive item on the board agenda. He provided assurance that elements of this risk area are improving such as finance, subcontracting and elements of staffing, however there are still concerns about aspects of risk and so at this stage it remains overall as a high priority risk area. The report provided further detail and MC thanked the governors for their constructive challenge and support in relation to monitoring and managing risk this year. Members made a number of comments on the risk report, as follows:

- MG noted that he is a member of the Farm Steering Committee and he wished to acknowledge the positive impact of the appointment of the new Farm Manager, Ed Parrish, with Ed already making a significant difference to the culture and progress on the farm. He asked that thanks from the governor members of the Farm Steering Committee be passed to Ed;
- PG commented that he felt the risk register had worked well this year, providing clarity and allowing deep dives on key risks. DP agreed that it had come on leaps and bounds. AT echoed these comments and noted that there will never be a fully green rated risk register and that it will be important to use it as a live document and monitor changes such as the implementation of the new Academy for Land and Environment through the risk register. GC asked how emerging risks are identified and captured. MC explained that the executive team review the risk register and consider any emerging risks regularly in executive meetings and that emerging risks are also captured though risk reviews at sub-committees. He noted that there is more development needed and it is not the finished article. GC said that he considered the risk register to be of a good standard. GC confirmed it is good practice to have a standing item to

	<p>identify any emerging risks at the end of meetings. DP confirmed that this happens in the meetings that he chairs;</p> <ul style="list-style-type: none"> • JC asked for an update on the mental health risk in relation to staff, with the increasing pressures to support students with mental health issues. DP, as link governor to the safeguarding and wellbeing team, said that the feedback from the team is that they are coping but it is very busy and pressurised. DP added that supervision for staff in these roles and support to ensure they are not burning out is very important and that the college has these systems in place, but it will be important to keep this under review. DP noted that the college needs to continue sharing these issues with sister colleges and lobby for funding support. CG queried best practice on the preventative side and whether there is more that the college can do to build in more preventative medicine. MC gave assurance on the actions already in place in college such as the student BeReady and Graduate Toolkit programmes. LW added that the college is rolling out a programme that involves more of the wider staff body to provide a wrap-around support in addition to the wellbeing team as wellbeing champions. DP felt that there was a bigger piece of work which is national, as there is not enough being done nationally on the preventative side. He added that the college Wellbeing Manager has been invited to join the government task force looking at just these issues. GC felt reassured to hear that the college is involved in national work streams. He also shared his knowledge of current initiatives in primary and secondary education, which may be good to link in with nationally. AM emphasised her view that more work within the curriculum itself in addition to wrap around programmes could be beneficial and she noted that there were some recent initiatives in Animal Management and Sport and so it will be useful to see how these develop. <p>DP thanked all for the discussion and confirmed that the risk report was received for information and assurance.</p>
11.3	The Annual Risk Management Report and Risk Management Policy was presented for approval, following scrutiny at the Audit Committee.
11.4	RESOLVED: The Annual Risk Management Report and Risk Management Policy is approved.
12.	Committee Reports
12.1	<p>The following committee reports and unconfirmed minutes were received for information and assurance:</p> <ul style="list-style-type: none"> • Search & Governance Committee Chair’s Report and Minutes; • Quality & Standards Committee Chair’s Report and Minutes; • Higher Education Committee Chair’s Report and Minutes; • Finance and General Purposes Committee Chair’s Report and Minutes; • Audit Committee Chair’s Report and Minutes.
13.	Financial Monitoring – approval of budget 2019-20
13.1	<p>Period 9 management accounts were received for monitoring and review. The CFO and Director of Resources, GL, provided the period 10 management accounts to the meeting and updated members on the emerging picture on period 11 accounts. He provided assurance that, overall, the college is maintaining its position of an outturn surplus of just under £400k and the college subsidiary company is moving to a small surplus outturn. Questions and discussion followed:</p> <ul style="list-style-type: none"> • MG asked whether there was any further scope to turn the ‘commercial income’ around. GL noted that at this stage there will not be much movement from the current position. He added that the main work is for next year in delivering to the realistic and robust commercial income

targets. MG asked for clarification on whether all the commercial income targets had been reduced for next year. GL confirmed that each line had been looked at in detail and some had been reduced but some, such as City and Guilds Land Based Services income (NPTC), had been increased;

- DP noted that the college had managed to recover the reduction in commercial income against budget this year (though income had increased on the previous year) through non-recurring items and so it was the essential that the college secures a robust and resilient budget for next year;
- JC queried whether the free transport and residential income relationship is fully understood and whether there is a risk of losing residential income next year. GL provided assurance that there is a significant waiting list for accommodation for this year. He added that MGower is carrying out some further work to reduce costs of the transport service;
- CG wondered if the uptake on residences at this stage could have an adverse impact on HE student intake through clearing. GL provided assurance that the college can bring over 18 accommodation on site at fairly short notice and so it would be unlikely that the college would need to turn away HE students for this reason. GF also provided context that traditionally numbers through clearing have not been very substantial.

DP thanked members for the discussion and the meeting received the management accounts reporting, for information and assurance.

13.2 Confidential Part B item.

13.3 The CFO and Director of Resources presented the draft Budget and Ten-Year Forecast (Including EBITDA KPI recommendation) for recommended approval. Members had received with the papers the ESFA Financial Planning Checklist and the AoC briefing on financial questions for governors. GL explained the process and context of the budget in relation to the new business planning process this year. He explained the context of the draft budget and commentary and the assumptions in the commentary. He also highlighted the external policy context. The budget paper also recommended an amendment to the college EBITDA KPI from £3m to 8% of turnover. GL explained that in February the Finance and General Purposes Committee accepted that EBITDA should replace the existing cash inflow KPI. This KPI was set at £3m at that time, but he recommended this KPI to be set at 8% of turnover thus allowing for the KPI to dynamically support changes in turnover. He added that the draft financial plan has used the 8% of turnover as the criteria.

13.4 GL took members through the college performance against its financial KPIs and covenants for assurance. Members noted that the covenants and KPIs are met, except for the college KPI on ESFA health grade, which is satisfactory (from 2019 now 'requires improvement') rather than good. He added that the ESFA have been very satisfied with the financial reporting to them this year and have raised no concerns. He emphasised that it is a tight budget for 2019-20 with a 1% budgeted group surplus and with the provision for the 1% cost of living staff pay award within the budget, subject to approval in the autumn term based on college performance against targets.

13.5 GL then took members through the financial plan and ten-year forecast, highlighting the pressure points to the college KPIs. He provided assurance that the bank covenants are met throughout the forecast, but two college KPIs (current ratio and education specific EBITDA) are not met at some points over the ten-year forecast, due to rising costs. He noted the risk that without action during the course of the plan, the college will not be creating the cash reserves it needs to complete the final part of its estate masterplan financial strategy, which is the final two payments of the revolving credit facility. He put this in context, explaining that the cash flow modelling shows that the college can manage the position within all the bank covenants and remaining in a reasonable position, but it risks a reduction

in the opportunity to invest in college facilities and so choosing the right funding opportunities would be crucial over the next three to five years. He went on to explain the income assumptions in the plan and why the college executive team consider these to be solid and robust. He noted that a significant part of the increase in income in 2019-20 is a presentation change including bursary treatment and TPS pension increase government support. He explained that the budgeted increase in apprenticeship income is due to the change from frameworks to standards with increased margins as well as some increased work with employers.

13.6

Members received the budget report and questions and discussion followed:

- EH asked for and received confirmation that the cost of the specialist staffing action plan had been included in the budget and LW confirmed this had been modelled on a worst-case position;
- PG asked for further clarification on the apprenticeship income forecast, as he felt it was a large increase and therefore carried an element of risk. DPK gave assurance that the increase is based on some growth but in large part is due to the change in the value of standards, with the subsidiary seeing a large increase in value as a result of its move to standards.
- JC gave her view that the budget does feel very tight. She asked if the college is clear on how different areas are contributing in order to support an alternative plan, if required. GL explained that work is needed on the college business and delivery model over the course of the plan to manage the risk evidenced later on in the ten-year forecast and ensure that the college continues to generate cash to invest in its facilities. JC asked what was in place in the shorter term if needed for 2019-20. GL confirmed that management action would be taken if needed at an early stage and MC confirmed that there is a small amount of contingency in addition to the staff savings that arise as a result of vacancies in year rather than management action. MC noted that the strategic plan will look at the strategic decisions needed to take the college forward;
- GC agreed that it is a tight budget, with a risk to the ability to invest and also the risk of a deficit if things change in year. He noted that the risk of not meeting bank covenants is a serious one and so he asked for clarification on how close the college is to its bank covenants in 2019-20, based on the draft budget. GL referred members to the draft budget paper where the performance against covenants was listed. He took members through the bank covenants, explaining the headroom against each, which was good headroom against all covenants. Members took assurance from the report that the college was not close to breaching any bank covenants in the draft budget and noted that this is a central consideration of its decision on approval of the draft budget. GL added, as mentioned earlier in the meeting, that the college is however close to its own EBITDA and current ratio KPIs and members acknowledged this;
- GC then gave his view that the budget commentary was a very good summary and thanked GL for the report. He acknowledged the budget was tight, but he recognised the level of debt was part of the agreed long-term financial strategy to support the capital programme, which has provided significant benefits to the college. However, he commented that his reservation is how governors will be assured on early monitoring so that matters do not go adrift. MC gave his assurance that any adverse matters arising would be flagged quickly to the board, as had happened in year this year;
- MC explained that the capital expenditure in the budget is only forecasting modest levels but that, with a careful and targeted strategy, there are opportunities to lever in 100% funding for capital investment, for example with the LEP bid in relation to robotics on the farm. He also noted that the strategic plan sets out the areas where modest investment can secure improvements in the shorter term. MG questioned whether there would still be significant costs associated with any funding. MC acknowledged this but felt that with a very targeted approach, certain projects could deliver 100% funding;

	<ul style="list-style-type: none"> DP emphasised that governors would expect to see this targeted approach to investment coming through the decision-making channels with robust rationale and business case.
13.7	<p>DP thanked GL for presenting the draft budget and financial plan. He noted that whilst GL had pulled the plan together, the executive team had all contributed to the plan. He asked each member of the team to provide their view on the test and challenge that went into building the plan and, ultimately, its deliverability. The executive team members provided assurance that they had gone through the plan in detail and considered the process this year to be robust. In terms of income targets and costs, they confirmed that they felt the targets were achievable and had confidence in the ability to take actions in year, as they had done this year, if needed. The process had involved scrutiny of the staffing establishment, delivery models and casual budget, which had improved clarity. MC gave assurance that the intention is to allow for some fundamental decisions to be taken in the near future to take the college forward and to pro-actively address the emerging issues on investment potential, which are a few years down the line. DP thanked the executive members for their contribution to the discussion. He asked governors if they felt they had received sufficient assurance that the draft budget could be delivered, given the report and the responses of the executive team in the meeting. Members confirmed that they had received sufficient assurance to sign off the budget. EH added that she would welcome a further deep dive into the financial plan and strategic plan, including a look at contribution to central, in the September governor development day, to ensure governors can be well ahead in their understanding at an early stage in the academic year. DP added that the discipline of papers well in advance remained central to good decision-making and requested continued focus on this from the team. KB queried whether the wider management team and staff understand the tightness of the budget for next year and MC gave assurance that the management team and staff are on board with the budget requirements for the coming year.</p>
13.8	<p>The ESFA financial planning checklist had been received for information to support the budget discussion and the ESFA College Oversight Support and Intervention Report was received for information. GL provided assurance that the ESFA had reviewed the draft budget and ESFA cash flow forecast and confirmed that this does not hit any of the ESFA triggers for further intervention.</p>
13.9	<p>Following the reporting, questioning and discussion, members were sufficiently assured that the income and expenditure assumptions in the budget were justified and they were satisfied that the budget for 2019-20 and accompanying financial plan could be approved.</p>
13.10	<p>RESOLVED: The College group annual budget for 2019/20 and financial plan is APPROVED, including provision for a 1% cost of living staff pay award, subject to consideration of AoC recommended pay award information and performance against budget targets.</p>
13.11	<p>RESOLVED: The existing College KPI education specific EBITDA KPI target of £3m is replaced with an educational specific EBITDA KPI target of 8% of turnover.</p>
14.	<p><i>The Principal left the meeting for an external engagement.</i></p> <p>Items for Approval/Ratification</p>
14.1	<p>RESOLVED: The following items were approved/ratified:</p> <ol style="list-style-type: none"> i. Calendar of Board and Committee meetings 2019-20 ii. Regularity Self-Assessment Questionnaire for signature by the Chair and Principal iii. Committee Terms of Reference 2019-20 iv. Annual Re-appointment of Auditors 2019-20 v. Annual Audit Plan 2019-20 vi. FE Tuition Fees 2019-20

	<p>vii. HE Access and Participation Plan, with congratulations to PGreenall and his team;</p> <p>viii. Equality, Diversity and Inclusion Policy</p> <p>ix. FE and Apprentices Student Admissions Policy.</p>
15.	<u>Confidential Part B item.</u>
16.	Any Other Business (reported to Chair/Clerk in advance)
16.1	The Clerk presented a matter of any other business for approval to update the authorised Bank mandate by removing two names from the mandate.
16.2	RESOLVED: Meredydd David and Andrew Jodrell be removed from the bank mandate.
16.3	The Clerk presented a paper requesting approval of the expenses of the Principal incurred at the Association of Colleges AoC Annual Beacon Awards in which the college was shortlisted for the wellbeing award. The paper explained the context that the college had attended with a number of members of the team as shortlisted award winners and mistakenly understood that wine with dinner was included in the table price. In accordance with the college financial regulations, the particular expenses claim of approximately £289 for wine paid for by the Principal was being brought for board approval as it fell outside the delegated authorities in the financial regulations. Members considered the matter and noted that the college had been placed in a difficult situation due to the arrangements and suggested that feedback be given to the AoC regarding the costly arrangements for the dinner ceremony, to note for future reference. In the circumstances, members considered that it was appropriate to approve the expenses claim.
16.4	RESOLVED: The payment of the Principal’s personal expenses claim of £289.15 is approved as part of the cost of the wellbeing team and college involvement at the AoC Beacon Awards as a shortlisted entry.
16.5	The Chair, DP, asked if everyone had taken the opportunity in the meeting to have their say and if there were any outstanding concerns to articulate at this stage. Members confirmed that they had raised the issues they wished to raise. DP asked if there was anything that the meeting had discussed that members considered needed to be escalated to the risk register. AT noted that the risks associated with implementing change to the curriculum offer in land and environment should be noted. EH suggested that senior staffing changes in IT and in Marketing could impact on the progress of the CRM project and would be useful to monitor via the strategic risk register.
17.	<p>The date of the next meetings confirmed as:</p> <ul style="list-style-type: none"> • Wednesday 25 September 2pm – Development Session • Wednesday 13 November 2pm • Wednesday 11 December 2pm
18.	<u>Confidential Part B - Independent governors only item.</u>

The meeting closed at 1.45pm. Lunch followed the meeting and governor link visits and Health and Safety Walks took place from 2.30pm.

Signed:

Dated: