

REASEHEATH COLLEGE BOARD
FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting held on 4 December 2020 at 9.30am
Via MS Teams

Present: Malcolm Burns (independent) MB
 Marcus Clinton (principal) MC
 Prof Gary Crowe (independent) GC
 Elizabeth Harrison (independent, chair) EH
 Andrew Fletcher (independent) AF
 Jon Furber (independent) JF
 David Pearson (independent) DP
 Angela Potter (independent) AP

In attendance: Graeme Lavery, VP finance and resources GL
 Matthew Gower, VP curriculum and quality MG *(items 1 – 13 inclusive)*
 Peter Greenall, AP and dean of higher education PG
 Louise Woodman, director of people and culture, LW
 Jackie Schillinger, company secretary, JS
 Karol Bailey (independent) KB *(for joint meeting items 13-18 inclusive)*
 Colin Baxter (independent) CB *(for joint meeting items 13-18 inclusive)*
 Evelyn Davies-Jones (external co-opted) EDJ
 Mike Gorton (independent) MG *(for joint meeting items 13-18 inclusive)*
 Fran Johnson (external co-opted) FJ *(for joint meeting items 13-18 inclusive)*
 Peter Green (independent) PG *(for joint meeting items 13-18 inclusive)*
 David Hoose, Mazars LLP DH *(items 13-15 inclusive)*
 Judith Bickerton-Hubball RSM, JBH *(items 13-18 inclusive)*
 Andrea Deegan, RSM *(item 17)*

PART A (unless stated)

Item	Content
1.	<i>EH took no part for this item.</i> APPOINTMENT OF CHAIR
1.1	RESOLVED: Elizabeth Harrison is appointed as chair of the committee for the 2020-21 academic year.
2.	WELCOME AND APOLOGIES FOR ABSENCE
2.1	The Chair welcomed all to the meeting. Apologies were received and accepted from Paul Weston, Liz Watts and Richard Ratcliffe.
3.	APPOINTMENT OF VICE CHAIR <i>AP took no part for this item.</i>

3.1	RESOLVED: Angela Potter is appointed as vice chair of the committee for the 2020-21 academic year.
4.	APPOINTMENT OF MEMBER
4.1	RESOLVED: Associate governor Paul Weston is appointed a member of the committee.
5.	DECLARATIONS OF INTEREST
5.1	EH declared an interest in item 11.1 on the agenda and withdrew for this item. MC declared his interest as a director of the subsidiary company board. There were no other interests declared as giving rise to a conflict of interest.
6.	MINUTES AND MATTERS ARISING
6.1	Minutes of the meeting held on 17 June 2020 were approved as a correct record.
6.2	Minutes of meeting held on 8 July 2020 were approved as a correct record.
6.3	Matters arising: EH confirmed that the solar panel matter will be covered in item 11 of the agenda.
7.	HUMAN RESOURCES
7.1	HR Update Report: LW presented her report including an update on covid-19 impact on staffing. This included information on furloughing of staff, staff survey, flu clinic for staff, six month period HR statistics, exit interview themes, sickness, staff turnover and failure to recruit KPIs.
7.2	DP requested an update on staff voice group. LW confirmed that the group is an elected group of staff representing staff across college and providing a good two way communication and they are involved in the Covid steering group. They also work with HR on developments, such as ways of rewarding and recognising staff. It was agreed that it would be useful for the executive to consider how this aspect of staff voice could link to the Board in some way via the college structures.
7.3	EH welcomed the positives around the excellent PDR completion rate in the challenging circumstances this year and the fall in flu absences, which is something to think about in terms of steps to continue this in future years. The level of positive Covid staff cases was discussed. Overall, members considered the situation very well managed and controlled at college such that there have only been a handful of isolated cases.
7.4	In response to a question from EH, LW and GL provided an update on HR and payroll systems, the research and due diligence undertaken and confirmed that, on weighing up the pros and cons, the college has decided to re-install its existing system with full support from the provider. Members welcomed the considered approach and took assurance from the discussion.
7.5	LW presented the Gender Pay Gap report section of her HR Report, for recommended approval to the College Board, and for publication on the website by 1 April 2021. Members considered the report, including the actions proposed which have been brought under the umbrella of the

7.6	<p>Equality, Diversity and Inclusion reporting. Members were content to recommend approval of the Gender Pay Gap report to the Board.</p> <p>LW presented the draft Equality, Diversity and Inclusion Report, for consideration and recommendation to the Board for approval at its December meeting. LW explained the review and refreshed approach to EDI for consideration. The committee welcomed the refreshed approach and supported the key proposed actions in the strategy that included work to achieve the right foundations in order to go forward to achieve a set standard and to provide targeted and relevant training for governors. The committee were content to recommend the Equality, Diversity and Inclusion Report to the Board for approval.</p>
8.	<p>STUDENT NUMBERS AND FUNDING REPORTS</p> <p>8.1 FE and Apprenticeships student data report: MG presented a summary of the RAG-rated student data report. He noted the very positive recruitment of 16-18 student numbers and the possibility of in year funding this year. He covered 'on target' and amber rated income streams and actions in place to maximise numbers, including in relation to apprenticeship numbers. AP confirmed that the college is not out of step with the rest of the sector on the Adult Learner Loans position. Members took assurance from a positive overall position on FE student numbers.</p> <p>8.2 HE student data report: PG presented a summary of the HE student data report. He explained that with the expected attrition, the income is likely to fall short of the budgeted target and he explained the actions in place in year to minimise this impact. In terms of applications for next year, applications are currently down and this year's unusual recruitment cycle will create further challenges. In response to a comment by GC, PG confirmed that there is a real priority on improving internal progression. MC provided more context on this and the opportunities to grow internal progression. DP noted that the HE Committee has been driving this and is well placed to continue to focus on recruitment and progression.</p>
9.	<p>Confidential Part B item.</p>
10.	<p>WRITTEN RESOLUTIONS</p> <p>10.1 RESOLVED: Confirmation of approval of the College Group Data Protection Policy and ratification of the data protection policy and procedure framework as provided to the committee by email on 21 September 2020.</p>
11.	<p>ANY OTHER BUSINESS</p> <p>11.1 Confidential Part B item.</p> <p>11.2 Confidential Part B item.</p>
12.	<p>DATE OF NEXT MEETING</p> <p>12.1 The date of the next meeting was confirmed as Thursday 25 February 2021 at 9.30am.</p>
<p><i>Members of the Audit Committee joined the meeting for the end of year financial reporting joint meeting. It was agreed that the joint meeting be chaired by EH.</i></p>	

<p>13.</p> <p>13.1</p> <p>13.2</p>	<p>GROUP AUDIT COMPLETION REPORT (EXTERNAL AUDIT)</p> <p>External auditor, DH of Mazars LLP took the meeting through the audit completion process and headlines in the report. He confirmed strong assurance on a smooth audit process, even taking into account the need for this to be carried out remotely this year. He noted the audit is substantially complete and he anticipates providing a clean bill of health on the year-end financial reporting, with nothing to concern him as the external auditor. He explained the additional work this year required by the regulator for all colleges on going concern and the letter of support from the college to the subsidiary company has been completed. He provided assurance on regularity and propriety and that the ongoing management accounts reporting to governors is sound and reliable. He noted that this is a strong position taking into account the impact of the pandemic.</p> <p>-MG requested and received assurance from GL on the ESFA remittance advice minor issue raised in the report.</p> <p>-FJ requested and received assurance from DH on any going concern issues on levels of reserves.</p> <p>-EH requested and received assurance from DH and GL on continuing internal control housekeeping items.</p> <p>The group audit completion report was received for information and assurance.</p>
<p>14.</p> <p>14.1</p> <p>14.2</p> <p>14.3</p> <p>14.4</p> <p>14.5</p>	<p>FINANCIAL MONITORING</p> <p>Year End Financial Reporting: DH and GL presented the year-end group financial reporting, including the Financial Statements and Bridge Report, for review and discussion. GL explained the key impacts on the year end, with the outturn being impacted significantly by the Covid 19 business interruption during the year. He noted that the underlying business and college activity remains strong despite the headline impact on income due to covid. He also explained the impact of covid on the pension scheme. JF requested and received assurance from DH on the basis in fact on the reconciliation table on covid impact. DH explained the presentational impact of the Office for Students requirements for the first time.</p> <p>Confidential Part B item.</p> <p>ESFA Financial Return: GL presented the return and noted that the ESFA Financial Record will be required for the end of January and so this will be completed via the ESFA financial template just released and will be an accounting officer submission rather than a Board approved submission. However, with a meeting at the end of January, this can be provided for assurance.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> i. To recommend the group financial statements for the year ending 31 July 2020 to the Board for approval. ii. To receive the report for assurance in relation to the financial objectives for the 2019-20 financial year and confirm the financial objectives for the 2020-21 financial year. <p>Period 3 Management accounts: GL presented the executive summary and noted the forecast outturn position on income, pay and non-pay costs and cash flow forecast. EDJ requested and received assurance from GL that quality of provision for students is prioritised and is not impacted by the under budget pay costs. EH requested and received assurance from GL on project income timing.</p>

15.	CONFIDENTIAL PART B ITEM
16.	COLLEGE STRATEGIC RISK REGISTER REVIEW
16.1	Strategic Risk Register Review: MC presented the executive summary of the key strategic risks and risk movements following the executive in depth review of the risks in the autumn term. Members received the report for information and assurance.
16.2	Confidential Part B item.
17.	RSM UPDATE ON FRAUD AWARENESS: The meeting received a fraud awareness development training session from RSM and GL provided assurance on how the college is meeting these requirements and monitoring fraud risk on the strategic risk register. DP commented that the college can never be complacent and needs to remain vigilant. The meeting thanked Andrea of RSM for her session.
18.	ANY OTHER BUSINESS
18.1	There was no further business reported to the meeting.
19.	ANY ITEMS TO ESCALATE TO RISK REGISTER/REPORT
19.1	<p>The Committee agreed to report the following to the Board:</p> <ul style="list-style-type: none"> • The re-appointment of Liz Harrison as Chair and Angela Potter as Vice Chair of the committee for the year. The appointment of Paul Weston as a member of the committee to be approved by Board at its meeting on 10 December. • The committee can provide strong assurance to the board on student numbers and funding for 2020-21 overall boosted by very strong FE 16-18 growth. Areas for close monitoring of actions to reduce a projected shortfall are HE income and adult. • Management Accounts to P3 indicate that overall the college is on track to meet budget surplus despite income shortfall due to pay and no-pay projecting to be under budget. • Staffing reporting was reviewed and assurance can be given that the college is managing the risks around Covid impact very well. It is recognised that staff are feeling the pressure and the upcoming Christmas break will be much needed by all. The committee thanks all staff for their hard work and commitment to the college this year. • The draft Equality, Diversity and Inclusion Report was reviewed and is recommended to the Board for approval. • Mazars LLP presented the Reaseheath College Group External Audit Completion Report, reporting a clean audit, providing strong assurance to the board on the financial statements and also reflecting that the management accounts reporting to governors is sound and reliable. The Audit Completion report is provided as part of the board year-end reporting on 10 December. A letter of Group support for the wholly owned

	<p>subsidiary company is made as part of the external audit reporting. Strategic risk on the subsidiary will be reviewed.</p> <ul style="list-style-type: none">• The committee recommends the group year-end financial statements for approval by the Board.• The committee recommends the Estates Development and Property Group meet in the new year to review the emerging estates strategy.• Part B item.
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The meeting closed at 12.30pm
Approved as a correct record 25.02.21.