

REASEHEATH COLLEGE BOARD
FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting held on 3 December 2021 at 9.30am
Via MS Teams

Present: Malcolm Burns (independent) MB *(items 1-12 inclusive)*
 Marcus Clinton (principal) MC
 Gary Crowe (independent) GC
 Andrew Fletcher (independent) AF
 Elizabeth Harrison (independent, chair) EH
 David Pearson (independent) DP
 Angela Potter (independent) AP
 Paul Weston (independent, associate) PW *(items 1-13 inclusive)*

In attendance: Graeme Lavery (VP finance and resources) GL
 Peter Greenall (AP and dean of higher education) PGreenall *(item 7 only)*
 Louise Woodman (director of people and culture) LWoodman *(items 1-9 inclusive)*
 Peter Green (independent) PG *(item 10 onwards)*
 Colin Baxter (independent) CB *(item 10 onwards)*
 Karol Bailey (independent) KB *(item 10 onwards)*
 Evelyn Davies-Jones (independent) EDJ *(item 10 onwards)*
 Mike Gorton (independent) MG *(item 10 onwards)*
 Fran Johnson (external co-opted) FJ *(item 10 onwards)*
 David Hoose (Mazars) DH *(item 10 onwards)*
 Louise Tweedie (RSM) LT *(item 10 onwards)*
 Jackie Schillinger, company secretary, JS

PART A (unless stated)

Item	Content
1.	APPOINTMENT OF CHAIR AND VICE CHAIR
1.1	RESOLVED: Elizabeth Harrison is appointed chair of the committee for the 2021-22 academic year
1.2	RESOLVED: Angela Potter is appointed vice chair of the committee for the 2021-22 academic year.
2.	WELCOME AND APOLOGIES FOR ABSENCE
2.1	The Chair welcomed all to the meeting. Apologies were received and accepted from Liz Watts and Jon Furber.
2.2	The meeting was quorate and remained quorate throughout.
3.	DECLARATIONS OF INTEREST
3.1	EH and AP declared an interest in items 1.1 and 1.2 respectively and took no part in the decision.
4.	MINUTES AND MATTERS ARISING
4.1	The Part A Minutes of the meeting held on 1 July 2021 were confirmed as a correct record.
4.2	The Part B Minutes of the meeting held on 1 July 2021 were confirmed as a correct record.

4.3	There were no outstanding actions on the rolling action log and no matters arising not covered on the agenda.
5.	<p data-bbox="297 201 548 233">HUMAN RESOURCES</p> <p data-bbox="297 237 1422 1119">5.1 HR Update Report: LW presented her update report. She highlighted the challenging recruitment and retention environment currently and its impact on several staffing areas in the college, as well as the actions in place to mitigate this key risk area for the college. Members thanked LW for her comprehensive report and acknowledged the rising level of risk in this area not only for the college but sector wide and that it is a national issue. GC welcomed the depth of the report and actions taken but noted the size of the challenge with a 20% turnover. He considered this a very significant risk for the college, and he supported the wider action that is being taken. He was encouraged to hear that the executive team are looking at a modelling tool to fully understand the financial implications to support the college to reach a position where it can pay staff what is needed to keep them. He stressed the importance of a culture of togetherness and cohesion to help sustain retention. DP sought and received assurance that the strategic risk of ‘failure to recruit and retain staff’ is regularly reviewed and that the college is looking at all ways to manage this risk including potential collaboration across the local area and its work on the delivery model. PW noted that he did not have an indication of potential impact on students from the report and he sought and received assurance that the college is managing potential impacts currently, but this is not sustainable in the longer term and some impact on the student experience is likely longer term. PW also sought and received assurance that the executive team is looking at how job families work, the use of market rates and raising the issue at key sector meetings. AP confirmed that she is seeing the same picture across the sector from her experience. LWoodman confirmed that exit interviews supported the issues under discussion around salary levels. Following discussion, the meeting agreed that the risk of failure to recruit and retain the appropriate quality staff had increased this academic year and that it should be flagged as a red risk for further action to mitigate the causes and impact of this risk. MC confirmed that the delivery model review currently underway would report back proposals to the Board as part of risk mitigation in this area.</p> <p data-bbox="297 1123 1422 1900">5.2 Equality Diversity and Inclusion (EDI) Annual Report and Policy: LW presented the annual report. She highlighted the progress made this year against the new EDI objectives agreed at the start of the academic year, with progress in several areas impacted by Covid. She noted that work has progressed around driving a common data set for EDI through college systems, training has been completed in Equality Impact Assessments and that this process will become more significant as more data is collected to enable a better view of the impact on particular groups of a policy or procedure. She explained that good progress has been made against the Access and Participation Plan and the accessibility of the website and intranet, with full accessibility statements in place and the accessibility tool in place for visitors to use. She highlighted the celebration and promotion of EDI that had been achieved throughout the year through the BeReady programme and other student and staff led events such as Black History month and the very successful LGBTQPA+ conference run by the Student Association. Looking ahead, she noted that the focus for the EDI committee will be working with John Dyer around driving EDI across the college through an inclusive leadership approach, focusing on leading, supporting and promoting; and using the staff conference as a launch platform, with the EDI Committee acting as a central co-ordination point, bringing together the pockets of good practice (including the range of kitemarks) and co-ordinating a cross college approach. She confirmed that the EDI Policy had been reviewed and no substantive changes had been made. Members thanked LW for her comprehensive report, noted the progress made and that it had been limited in several areas by Covid pressures on time and resources this year. The meeting welcomed the annual report and policy to be presented to the Board at its forthcoming meeting for approval.</p>

6.	ENVIRONMENT AND ESTATES STRATEGY
6.1	Confidential Part B item.
7.	STUDENT NUMBERS AND FUNDING REPORTS
7.1	Further Education and Apprenticeships student data report: GL presented the student data report, providing good assurance on the FE delivery income, but with an amber RAG rating on commercial delivery income and Higher Education income.
7.2	PGreenall presented further detail on the higher education performance and recruitment picture in the Higher Education student data report that had also been considered at the recent Higher Education Committee meeting. PGreenall confirmed that with pro-active management of attrition to maximise retention this year and the ongoing careful control of non-pay costs he expected the overall shortfall against budget to be significantly reduced by year end. PW queried the student achievement rate currently reported as looking low and PGreenall confirmed that this is due to the impact of Covid deferrals and the additional flexibility in timings so that some further achievement will come through in January and this data should improve.
8.	ITEMS FOR APPROVAL
8.1	RESOLVED: The College Group Data Protection Policy and the data protection policy and procedure framework is approved.
9.	DATE OF NEXT MEETING
9.1	The date of the next meeting was confirmed as Thursday 17 February 2022 at 9.30am
	<i>Audit Committee Members Join – Joint meeting items 10-15</i>
10.	GROUP AUDIT COMPLETION REPORT (EXTERNAL AUDIT)
10.1	DH presented the draft group audit completion report, awaiting ESFA information on the college subsidiary company to be finalised. He was able to provide strong assurance on the audit process and the preparation of the year end account by the college. He noted the additional work required this year for all colleges, akin to a funding audit essentially, was very positive with no problems found. He provided assurance that there were no new recommendations this year, and that the relatively small number still in progress from last year were not a concern with a clear timescale for this work agreed. Overall, he was able to present a very strong picture, welcomed by members.
11.	FINANCIAL MONITORING
11.1	Year-end group Financial Statements: GL explained that the financial statements were awaiting finalisation due to the final reconciliation figures still required from ESFA to complete the final group accounts. He noted that the college’s ESFA contact is fully aware, and a formal request has been submitted for approval to submit the final year end accounts to ESFA after the 30 December deadline due to this delay, outside of the college’s control. The meeting noted that this would be explained and the upcoming Board meeting and that a single agenda item Board meeting on Teams would be needed in the New Year to approve the accounts. He also provided an explanation via a bridging report to show the accounting treatment of the closure of the subsidiary company that was dealt with over two financial years due to the timing of this final reconciliation.
11.2	Annual review financial objectives: GL provided his report with assurance that all college financial objectives and KPIs for 2020-21 were met. He presented the proposed objectives and KPIs for 2021-22, with one change recommended. He explained the proposed change to the adjusted current ratio to better align it with the ESFA indicator in relation to this KPI. Members welcomed the positive outturn for 2020-21 and supported the recommended financial objectives and KPIs for 2021-22.
11.3	RESOLVED: The financial objectives and KPIs for 2021-22 are recommended to the Board for approval at its meeting on 9 December 2021.
11.4	Confidential Part B item.

<p>12. 12.1</p>	<p>COLLEGE STRATEGIC RISK REGISTER REVIEW Strategic Risk Register Review: MC presented the risk review and board assurance framework report. Members welcomed the clear reporting and noted the discussion on staffing risk would be considered for the risk rating on this area. GC queried where the college was on using contribution to central reporting and MC and GL confirmed that the conversations have been built into this round of business planning and from period 4 once the funding has been finalised for the year this can start to come through in reporting. Members suggested that a look at the business planning cycle and use of contribution to central would be helpful in the spring term at a development session.</p>
<p>13.</p>	<p>RSM SECTOR UPDATE LT of RSM provided a development update on the Office for Students’ financial sustainability report covering the financial health of the higher education sector and the new Association of Colleges’ Code of Good Governance. She noted the key changes in relation to the Code and the areas the Board would need to consider, including a sustainability strategy. PG noted a link governor in this area would be useful going forwards. Members took assurance that the search and Governance Committee were already considering aspects of these new governance requirements and a report on compliance with the new Code and actions needed was planned for the spring term. Members also suggested that next year’s audit planning meeting consider whether a governance review is needed. JS noted that an external review of governance is being planned in any event. MC noted the government response following the Augar review remains yet unclear as to whether any reduction in fees will be implemented. MG queried the level of risk and impact for UCR. MC confirmed that the actions now being taken by UCR to refresh and update its offer to improve recruitment is key to mitigating against this risk.</p>
<p>14.</p>	<p>ANY OTHER BUSINESS There was no other business reported to the meeting.</p>
<p>15.</p>	<p>ANY ITEMS TO ESCALATE TO RISK REGISTER/REPORT It was agreed to highlight:</p> <ul style="list-style-type: none"> • The increased staff recruitment and retention risk • The requirement to request a delay to filing accounts with ESFA due to ESFA data awaited on the subsidiary company • The request to consider business planning and use of contribution to central this year in a development session for the Board • The management of future timelines via the cycle of business as much as possible to manage governor expectations in the current fast paced external funding environment.

The meeting closed at 12.30pm
Approved as a correct record:17 February 2022.