



REASEHEATH COLLEGE BOARD
FINANCE AND GENERAL PURPOSES COMMITTEE
Minutes of the meeting held on 1 December 2022 at 9.30am
Committee Room Reaseheath Hall

Present: Malcolm Burns (independent) MB
 Marcus Clinton (principal) MC
 Gary Crowe (independent) GC
 Elizabeth Harrison (independent, chair) EH
 David Pearson (independent) DP
 Liz Watts (staff) LW
 Paul Weston (independent) PW

In attendance: Graeme Lavery (VP finance and resources) GL
 Louise Woodman (director of people and culture) LWoodman *(to incl item 5)*
 Peter Green (independent) PG *(item 9 onwards)*
 Karol Bailey (independent) KB *(item 9 onwards)*
 Evelyn Davies-Jones (independent) EDJ
 Fran Johnson (external co-opted) FJ *(item 9 onwards)*
 David Hoose (Mazars) DH *(item 9 onwards)*
 Alex Hire (RSM) AH *(item 9 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 2022-23 academic year
1.2	RESOLVED: Angela Potter is appointed vice chair of the committee for the 2022-23 academic year.
2.	WELCOME AND APOLOGIES FOR ABSENCE
2.1	The Chair welcomed all to the meeting. Apologies from Angela Potter were received and accepted.
2.2	The meeting was quorate and remained quorate throughout.
3.	DECLARATIONS OF INTEREST
3.1	There were no declarations of interest made to the meeting.
4.	MINUTES AND MATTERS ARISING
4.1	The minutes of the meeting held on 23 June 2022 were approved as a correct record and the rolling action log reviewed for assurance.
4.2	Part B item.
5.	HUMAN RESOURCES
5.1	HR Update Report: LW presented her report and highlighted the following key points: - A growing number of staff are failing to work their notice period, and this has been a challenge. As a result, the college has reinforced and added a paragraph in its attendance management policy following consultation with staff voice, to enable statutory sick pay only to be paid if sick leave is taken during the notice period. - staff turnover is starting to creep up and is at approximately 12%, with teaching staff the group with the highest turnover. She noted that this is in line with the Association of Colleges (AoC)

	<p>survey and on the HR data in general the college is in line with AoC data. She added that the college is looking at what it can do to support new staff recruitment as this is an area of high turnover.</p> <ul style="list-style-type: none"> - In terms of recruitment challenges, recruitment into engineering and agriculture remains challenging. However, improvements to terms and conditions and staff benefits as well as the role of the new recruitment officer promoting vacancies on social media and other initiatives has been well received. - Staff development is taking place with the Aspire to college management team programme and the college management team (CMT) development programme. - Term time only supreme court ruling on annual leave entitlement has an impact going forwards for current staff, with the possibility of some back claims, currently low but may increase, with action now in place to minimise impact in future. In terms of practical impact going forwards, the ruling will likely restrict the use of term time and casual workers in education.
5.2	<p>EH thanked LW for her comprehensive report and comments followed:</p> <ul style="list-style-type: none"> - Members welcomed the investment of time and resource into staff management development programmes. LWatts added that the recruitment and management training was proving very useful in her experience as a manager. - GC found the detailed review of the exit interviews helpful, especially in relation to turnover of staff in the first year of employment. Discussion focused on options to develop own pipeline staff via apprenticeships and development of teacher training. Challenges in retaining higher education staff were discussed including work with the university to build options. MB queried whether teaching staff left for higher salaries and MC confirmed that this is a factor but that the college does see a number of these staff returning as the stable environment and culture is something that they do not find elsewhere. - Assurance was provided on the legal advice taken, the understanding of impact and the mitigation of risk in relation to back pay claims following the supreme court ruling. - PW queried the scale of the iTrent project and assurance that the culture exists to make it successful. LW confirmed it is a large project that is taking time but that there is a good culture to drive it and ensure compliance. She explained that staffing capacity has been an issue but that all the basic work needed has now been completed and the final stage is to complete the bespoke functions and induction and total reward functions. - EDJ provided assurance as the link governor that she had seen a real change in the HR department over the year, with a team now in place with a very proactive approach and on the ball. In terms of an idea of the level of challenge for the forthcoming period, she noted that the level was fairly high but there was an appetite to meet that challenge. - EH summarised the discussion as providing assurance that despite the continuing level of challenge in managing recruitment and retention, the college is continuing to keep on top of things and doing everything it can to manage the sector wide challenges.
5.3	<p>Equality Diversity and Inclusion (EDI) Annual Report and Policy: LW presented the annual report. She explained the positive impact of the new EDI officer role. She summarised the EDI objectives and the RAG rated progress against objectives. She outlined the key issue to moving forward was committing to a professional framework to work to, including a cultural audit as the initial piece of work. She explained that this involved finding an external organisation to carry out the cultural audit which would involve work with focus groups, policies, procedures and stakeholders to see where the college currently sits, which will then inform the strategic direction. Members agreed this approach makes sense and that it is important to find the right fit for the college.</p>
5.4	<p>RESOLVED: The Equality Diversity and Inclusion Annual Report is recommended to the Board for approval.</p>
5.5	<p>RESOLVED: The Equality Diversity and Inclusion Policy is recommended to the Board for approval.</p>

6.	ENVIRONMENT AND ESTATES STRATEGY
6.1	Part B item.
7.	STUDENT NUMBERS AND FUNDING REPORTS
7.1	Student Funding Data Report: GL presented the RAG rated report. He noted the funding concern is higher education this year as it is below budget and he set out the work to mitigate this for next year, which is also being overseen by the HE Committee. GC as a member of HE Committee also, encouraged the college to scenario plan for difficult times and MC acknowledged that this is an area of concern that needs substantial work, and it is the area of provision that provides the highest margin, so its impact is significant if under target. Members received the report for information and highlighted the risk on HE income.
8.	DATE OF NEXT MEETING
8.1	The date of the next meeting was confirmed as Friday 17 February 2023 at 9.30am
9.	GROUP AUDIT COMPLETION REPORT (EXTERNAL AUDIT)
9.1	External Auditor DH presented the Audit Completion Report and provided assurance that the report indicated a clean audit and strong assurance on the financial statements. DH explained the note on the ONS reclassification and potential impacts on the regulatory reporting going forwards. In response to a question on Local Government Pension Scheme risk, GL provided assurance on coverage. Members took substantial assurance from the Audit Completion Report, the quality of the finance team and the good working relationship with the auditors that resulted in an effective and independent process.
10.	FINANCIAL MONITORING
10.1	Year-end group Financial Statements: GL presented the Group Financial Statements for approval. EH thanked GL for presentation of the financial reporting. FJ suggested on a presentation point that the notes on reserves could perhaps be clearer on the fact that there are plans for the re-investment of these reserves. Members considered that strong assurance had been provided to the meeting by the external audit report, including the regularity report and on consideration of the reporting, the committee was content to recommend the financial statements to the board for approval.
10.2	RESOLVED: To recommend approval of the Financial Statements for the year to 31 July 2022 and the ESFA Financial Return.
10.3	The meeting received the Bridge report for information and assurance, showing the reconciliation of management accounts to statutory accounts at year end and management accounts for period 3 of the current financial year.
10.4	Annual review financial objectives: GL presented for assurance the financial performance for the 2021-22 year against financial objectives. He then presented the proposed financial objectives for the 2022-23 year and following consideration, members indicated their support for the proposals.
10.5	RESOLVED: To recommend approval of the financial objectives and KPIs for 2022-23.
10.6	Part B item.
10.7	Accessing ESFA Financial Dashboard online: JS explained how to access the dashboard but confirmed that papers for meetings will still provide a downloaded version for ease of reference.
11.	COLLEGE STRATEGIC RISK REVIEW
11.1	Strategic Risk Review: MC presented the risk review and board assurance framework report. Members welcomed the clear reporting and GC commented that the risk reporting had developed very positively. He noted that the next stage could be to develop further cognisance of risk appetite and risk profile and the direction of travel in a more sophisticated way. MC noted that on the importance of strategic planning and horizon scanning, the executive team recently had a day prioritising strategic objectives and will look at the strategic planning process in the spring term with governors. It was agreed that for assurance the risk report front sheet could

11.2	state whether the risks had been considered at committee level. <i>ACTION: Risk report to full board/audit committee to explicitly state if risk had been considered at committee level.</i> External Assurance Sources Summary: GL provided an assurance report on 3 rd party assurance sources to strengthen understanding of assurances. GC noted there may now be some additional requirements emerging following the ONS reclassification and the work on building the 3 rd party assurance source report will be helpful in this respect.
12. 12.1	ANY OTHER BUSINESS There was no other business reported to the meeting.
13. 13.1	ANY ITEMS TO ESCALATE TO RISK REGISTER/REPORT It was agreed to highlight: <ul style="list-style-type: none"> • Change in status ONS finance and restrictions on borrowing. • Risk to HE income and financial risk for next year with the priority being a robust budget for next year. • Increasing staff turnover and challenges in recruitment and retention remaining • Financial year end reporting recommended for approval. • Strategic review and risk into next year and moving forward, risk appetite and prioritisation of resource allocation.

The meeting closed at 12.30pm

Approved as a correct record 17 February 2023.

Chair: Elizabeth Harrison