



REASEHEATH COLLEGE BOARD
FINANCE AND GENERAL PURPOSES COMMITTEE
Minutes of the meeting held on 17 February 2023 at 9.30am
Committee Room, Reaseheath Hall

Present: Malcolm Burns (independent) MB
 Marcus Clinton (principal) MC
 Elizabeth Harrison (independent, chair) EH
 David Pearson (independent) DP
 Paul Weston (independent) PW

In attendance: Graeme Lavery (VP finance and resources) GL
 Louise Woodman (director of people and culture) LWoodman (*to incl item 4*)
 Jackie Schillinger (company secretary and head of governance)

PART A (unless stated)

Item	Content
1.	WELCOME AND APOLOGIES FOR ABSENCE
1.1	EH welcomed all to the meeting. Apologies were received and accepted from Angela Potter and Liz Watts.
2.	DECLARATIONS OF INTEREST
2.1	There were no declarations made to the meeting.
3.	MINUTES AND MATTERS ARISING
3.1	The minutes of the meeting held on 1 December 2022 were confirmed as a correct record.
3.2	The action log was reviewed for assurance that actions were on track.
3.3	Part B item.
4.	HUMAN RESOURCES
4.1	<p>HR Update Report: LWoodman presented the HR Update Report which included the outcome of the staff survey. Members received the report with thanks and noted that whilst remaining a high strategic risk area, it is starting to look more positive from the data reporting. Discussion then took place with the key points made as follows:</p> <ul style="list-style-type: none"> - Equality Diversity and Inclusion (EDI): DP welcomed the traction now being seen on EDI following the December Board meeting discussion. He was pleased to see the difference being made by Cath Pilsbury in the EDI Officer role. -Sickness absence data: DP noted that the reporting indicated more work to do on managing sickness. LWoodman provided context that managers had been firefighting over the last year, and so the approach had not been consistent across college. She provided assurance there is now a drive to do this. She explained how HR is building its tool kit for managers with HR support and supporting absence management meetings. PW noted he had experience in other organisations of sharing league tables across departments. MC commented that the college had shared a heat map on several issues that were RAG rated, which had been interesting and so it could consider including sickness absence on there. -Staff Survey: Members acknowledged that it is very tough for people nationally now and the results probably reflect that context to some extent. Looking at some of the lower scores, MB noted that engagement in equine is low. LWoodman explained that the response rate was low in that area and so some follow up themed work is planned. She gave assurance that the department has now made some appointments which is helpful. EH added some context from her role as link governor to the area. EH queried the low response rate in the wellbeing, careers and work placement area. LWoodman explained that many staff are fractional and term time

<p>4.2</p> <p>4.3</p>	<p>only which can make engagement more difficult. She noted that there is more work to do on staffing in wellbeing and HR are supporting. EH also noted that the response rate on 'My opinions count' was quite low. LWoodman explained that the staff voice mechanism is key, and training was recently delivered by an external on what staff voice reps should be doing and so a temperature check on how staff voice feedback is being received would be useful. MC added that managers are engaged in business planning and the wider staff will be engaged in the new strategic plan process coming up. MC acknowledged that the college needs to do more 'you said we did' communications, as had worked well recently in a department.</p> <p>EH summarised the discussion and all agreed to revisit the staff survey as a deep dive at the next meeting, looking in more detail at those areas with lower scores, such as wellbeing, equine and domestic and catering with further feedback. <i>ACTION: Deep dive staff survey in lower scoring areas, with feedback from follow up work.</i></p> <p>Gender Pay Gap Report: LWoodman presented the annual report, which shows an increased gender pay gap on last year, which is disappointing as the college had been working hard on recruitment and retention to support the progress made last year. She explained the work going on including the Aspire to College Management Team programme. DP noted that much of this success is inspirational and could be promoted more such as the female staff profiles in rail, engineering, and construction. PW wondered if the college is doing enough to recruit men at the lower salary scale. He noted that the picture at the higher salary scale is more balanced. LWoodman added that the upper quartile gender gap is affected by the change in just a few posts and the lower quartile is impacted by the fact that the college has its domestic and catering functions in house, unlike many other organisations. She also acknowledged that the current employment climate is challenging. Members received the report and thanked LWoodman for the detail in the report and explanation of the context. Members confirmed they were content to recommend the report to the Board for approval.</p>
<p>5.</p> <p>5.1</p> <p>5.2</p>	<p>STUDENT NUMBERS AND FUNDING REPORTS</p> <p>Student recruitment and funding report: GL presented the report. He clarified an important point is that this year whilst the college has recruited fewer students than its target number, it is still being funded based on last year's 16-19 student numbers. However, he explained that there is some in year impact on T Level student funding as this is calculated differently and is not lagged funding and so this will impact in year. He explained funding is reduced in year under T levels either because of retention or failure to recruit to allocation, with a 20% tolerance. He noted that this becomes more of a risk next year and in future as the college will be delivering more T levels going forwards. He added that T levels are funded at a higher rate but the risk with that is that it becomes even more important to recruit to allocation and to retain students. DP welcomed the identification and awareness of this risk and he requested and received assurance on the various sources of external assurance on accurate management and funding data capture including the funding audit aspect of the annual external audit and the internal audit service funding audits.</p> <p>The committee then took a detailed look at student recruitment against targets. The key points highlighted for escalation to the Board were:</p> <ul style="list-style-type: none"> -Apprenticeships delivery is in some areas constrained by capacity to deliver because of staffing recruitment and retention issues and there is still a legacy of covid delays to work through. PW sought and received assurance that the college is managing this via engagement with employers to avoid damage to its reputation and MC explained the lobbying that is going on including within the ESFA strategic conversation. DP added that he met the managing director of First Bus a key employer partner and they are switched on to the national issue and their confidence remains high in the college. GL added that another factor in apprenticeship delivery is the low margins and so the profile impacts the overall college income. - Core business 16-19 is down on target this year, but the T levels funding helps with 16-19 funding, which means that overall, this income will about on target despite fewer student

5.3	<p>numbers. T level funding is increased for next year so this is helpful. DP noted there is still work to do on each area/business unit so the college can fully understand contribution and cross subsidy and to inform strategic discussion. MC confirmed that recruitment for 2023-24 is slower, lagged and more uncertain currently than previous years, which will need to be factored into budget setting.</p> <p>- HE income is under budget this year, with recruitment data for next year currently behind last year. MC noted that the whole sector is finding it tough going in this environment. He explained that the higher margins in HE delivery mean that the income impact can be greater overall. He added that the changes to the offer and the rebranding should start to have an impact. He provided assurance that there are encouraging signs from the recent student survey that the good work is paying off in higher student satisfaction for the next National Student Survey, but there is still work to do. He added that the HE Committee will have a detailed review of quality and the student experience as well as recruitment data at its meeting in March and can report back to the Board.</p> <p>- Impacts on accommodation and catering income have also been seen.</p> <p>EH summarised from the discussion that it is important for the Board to be fully sighted on the challenges in relation to next year's budget with the core income lines being down. All agreed that detailed scenario analysis will be key for the Board's discussions and decisions on budget setting next term and how financial risk will be effectively managed. <i>ACTION: Time in the agenda for full Board discussion on financial risk at the upcoming meeting.</i></p>
6.	<p>FINANCIAL MONITORING</p>
6.1	Part B item.
6.2	ONS reclassification: GL updated the committee on the intention to move the sector's financial year end from 31 July to 31 March, with the Department for Education currently pushing back to the Treasury on this as it would be extremely difficult, disruptive, and expensive for the whole sector. He confirmed that work is ongoing on understanding the audit and regularity requirements now that colleges are in the public sector.
6.3	Part B item.
7.	<p>COLLEGE STRATEGIC RISK REVIEW</p>
7.1	Board Assurance Framework Report for risks within committee remit: MC presented a summary and highlighted the RAG rated reporting on strategic KPIs at this time of the year. He noted much of the discussion in the meeting referenced these. He summarised that financial related risk due to income lines was RAG rated amber, with RAG rated green in relation to solvency, staffing remaining RAG rated red but showing signs of improvement but still seeing impacts on being able to grow in apprenticeships and on the quality of the student experience in some areas. MC provided an overview of staffing recruitment and stability in key areas. He added that the estates strategy area is RAG rated green with good success on bids and developments completed, ongoing and planned as seen in the reporting to the meeting. Members welcomed the board assurance reporting that had come a long way with good developments and confirmed that they took assurance that the committee is sighted on its principal strategic risks.
8.	<p>ANY OTHER BUSINESS</p>
8.1	There was no other business reported to the meeting.
9.	<p>ITEMS TO ESCALATE TO THE RISK REGISTER/REPORT TO BOARD</p>
9.1	<p>The meeting agreed to highlight the following points in addition to a copy of the minutes:</p> <ul style="list-style-type: none"> • Acknowledgment of the progress on the EDI work and the contribution of Cath Pilsbury in her role as EDI officer • Recommended approval of the Gender Pay Gap Report • HR staffing and survey – planned committee deep dive in areas of the survey • Closing the loop on the interest rate issue and the need to manage this risk over the next few years.

	<ul style="list-style-type: none">• Need for the Board to be fully sighted on the issues around student numbers, margins, income lines, capacity and resource allocation in budget and strategy going forwards.
10.	DATE OF NEXT MEETING
10.1	The date of the next meeting was confirmed as 22 June 2023 at 9.30am

The meeting closed at 12pm

Approved as a correct record: 22 June 2023

Chair: Elizabeth Harrison