

MINUTES OF THE MEETING OF REIGATE COLLEGE CORPORATION HELD ON TUESDAY 05 JULY 2016

Present: Mr Michael Jones (Chair)
Mr Richard Stephen
Mr Mark Coleman
Mr Ian Fortune
Mr Ciaran McSharry
Mr Stephen Hewes
Mr Steve Oxlade
Ms Dawn Hughes
Ms Pat Franklyn
Ms Sally Hopper

In Attendance: Mr Jon Allen Clerk
Mr Chris Whelan Deputy Principal
Mr Nick Clark Deputy Principal
Ms Sarah Walters Associate Principal
Ms Kim Saw Director of Finance

APOLOGIES

266. Apologies were received from Robert Hails, Susie Ferguson and Noel Grant. The Clerk confirmed the meeting was quorate.

RESIGNATION

267. Due to the pressure of work commitments, Adrian Lee informed the Clerk of his resignation from the Corporation.

DECLARATION OF INTERESTS

268. There were no declared interests.

MINUTES

269. It was **RESOLVED** to approve the minutes of the Corporation held 15 March 2016 and to authorise the Chair to sign the minutes as an accurate record of the meeting.

270. It was **RESOLVED** to approve the confidential minutes of the Corporation held 15 March 2016 and to authorise the Chair to sign the minutes as an accurate record of the meeting.

MATTERS ARISING

271. There were no matters arising.

FEDERATION UPDATE

272. The Principal confirmed the details of the appointment of the Principal of Coulsdon College.

273. The Principal informed the meeting of the agreement to set up a Federation Executive Committee, whose membership would be the Principal of Coulsdon College, the two Principals of Reigate College, the Chair of Coulsdon Corporation and the Federation Consultant. The Committee would work together on high level strategic matters with the aim of reaching a consensus/agreement between the two College senior management teams. The work of this Committee would be reported back to both College Corporations through the Chair of Coulsdon Corporation.

AREA REVIEW UPDATE

274. The Chair reported on the final Steering Group meeting that he attended earlier in the day. The recommendation outcome was for Reigate College to form a Multi Academy Trust (MAT), a recommendation proposed by the Corporation and College at the outset of the Area Review process. The College now has the 'green light' to proceed. The College has up to 05 September to apply for a transitional grant of up to £50k, to be used for legal and due diligence work, with a further six months to complete and submit an application to become a MAT.

275. The original thought was for Reigate to set up a Single Academy Trust, but new guidance from the DfE allows for an 'Empty' MAT to be formed, i.e., single to start but others can join at a later stage.

276. Reference was made from the notice issued by the NUT that had been circulated to governors in advance of the meeting. The notice raised a number of concerns. College management confirmed to the meeting that many of the issues raised by the NUT did not apply as the notice was under the mistaken assumption that Reigate College was still under the control from the Local Authority.

277. Following the update received, it was **RESOLVED:**

- (i) To move forward in making an application for Reigate College to become a Multi Academy Trust with an in-principle agreement to form a MAT;
- (ii) To allow for a maximum spend of £62,500 for required legal and due diligence work, with £50,000 to be covered from the transitional grant; and
- (iii) To delegate to the Executive the final decision as to which of the six recommended firms with which to contract for the required legal and due diligence work.

DISCLOSURE BARING SCHEME (DBS)

278. Pat Frankland, in her capacity as the nominated safeguarding governor, reported on her attendance at a recent training course. The course confirmed that all academy governors are required to be subject to DBS clearance. However, currently, this is not a requirement for sixth form colleges. The nominated safeguarding governor proposed that the Corporation agree to DBS checks for governors on two grounds. The first was on reputation and the risk that could arise if there were no DBS checks and an incident occurred resulting in reputational damage; and the second was that there was merit now in proceeding with the proposal as it will be a legal requirement as and when Reigate becomes a MAT.

279. Governors asked as to whether, if it was done now as a sixth form college, could the individual DBS for a governor be carried forward into the MAT or would governors be required to undertake an additional DBS as and when the College becomes a MAT. Given there was the possibility of requiring two applications to be submitted, and this could raise a cost implication, it was **RESOLVED** to agree in 'principle' for all governors to be subject to DBS checks. However, consideration should be given to the timing when these are submitted and determine as to whether DBS checks, conducted now, can be carried forward as and when Reigate becomes a MAT.

REPORT OF THE MANAGEMENT COMMITTEE

280. The 'Unconfirmed minutes of the Management Committee meetings held 07 June 2016' were received. The Chair confirmed that the Committee considered the following:

- Management Accounts up to 31 March 2016
- Accommodation & Resources
- College Budget 2016/17
- Letting Policy
- Long Term contracts

281. It was confirmed the Management Accounts up to 31 March 2016 forecast a year-end retained surplus of £580K against the budgeted retained surplus of £666k. The total net movement from the original budget for 2015/16 prepared in May 2015, to the forecast updated in April 2016, is a net increase in costs of £86k. The variation against the agreed budget was due to three key factors

Replacement of Principal	-£60k
Summer works 2016 approved by management committee	-£33k
Other operating changes	+£7k

282. In addition to the unconfirmed minutes, the Corporation received for review and approval the College Budget 2015/16 and the 2-Year Financial Forecast 2015/16 & 2016/17.

283. The budget is based on 2,165 lagged student numbers. Total EFA programme funding is £10,271k based on funding per learner of £4,680. It was noted there has been a fall in funding in cash terms of £1,187k per learner over the period 2011/12 to 2016/17.

284. The budget forecasts income at £10,618k with expenditure at £10,448k, resulting in a surplus before non-cash items of £164k. After taking into account non-cash items of £532k (depreciation etc.), the budgeted retained surplus is for a deficit of £368k.

285. Closing cash and deposits are budgeted to be £3,367m.

286. The financial statements for the year ended 31 July 2016 are the first to be prepared under 'Statement of recommended practice: Accounting for further and higher education (SORP 2015).

The major impact for the College is the disclosure of deferred capital grants as long-term liabilities rather than being included with reserves. For 2016, as at 31 July, this will have a negative impact on the Balance Sheet of £1,511m and a negative impact of £1,451m as at 31 July 2017.

287. The changes in SORP 2015 also have an impact on the financial ratios used to assess financial health. The changes which affect the College are:

- Financial performance will be measured using a sector EBITDA (earnings before interest, tax, depreciation and amortisation) as a percentage of adjusted income instead of the previous performance ratio.
- Borrowing as a percentage of income will replace gearing as one of the measures of financial health.

288. It was confirmed the 2-Year Financial Forecast had been developed in conjunction with Reigate College's mission, aims and strategic objectives for the plan period. Underlying all of the objectives is a requirement for the College to be financially stable so that it can provide the required number of appropriately skilled teachers and support staff, and the necessary resources to deliver quality education. As instructed by the EFA the plan covers the next 2 financial years.

289. After a thorough review, it was **RESOLVED:**

- (i) To approve the 'College Budget 2016/17' and '2-Year Financial 2016/17 & 2017/18'; and
- (ii) To note the report from the Management Committee.

REPORT OF THE AUDIT COMMITTEE

290. The 'Unconfirmed Minutes of the Audit Committee held 21 June 2016' were received. The Chair presented the minutes and confirmed the Committee considered the following;

- The Financial Statement & Regularity Audit Plan
- The Internal Audit Reports
- Internal Audit Arrangements 2016/17
- Board Assurance and Risk Management

291. The Chair confirmed the Corporation is being asked to approve the Financial Statement & Regularity Audit Plan for the Year-end Accounts 31 July 2016. The Chair confirmed the audit would focus on the following identified key risks:

- First year of adoption of F & HE SORP 2015
- Pension scheme liabilities
- Completion of the Capital Project
- Management override of controls
- Termination Payment to Senior Post Holder

292. The Chair of the Audit Committee confirmed the College's Risk Champion had recently attended a meeting with the College's Executive to get their support for putting in place a Board Assurance Framework and the format of a Risk Register that has been implemented at Coulsdon College.

The proposed '*Board Assurance Framework*' was received along with the new format for the Risk Register. The aim is to replace the current Risk Register database with the new format.

293. It was **RESOLVED** to:

- (i) Approve the Financial Statement & Regularity Audit Plan for the Year-end Accounts 31 July 2016;
- (ii) To approve the Board Assurance Framework, Risk Register and Risk Management Action Plan for 2016/17; and
- (iii) To note the report from the Audit Committee.

REPORT OF THE DEVELOPMENT & STANDARDS COMMITTEE

294. The '*Unconfirmed minutes of the Development & Standards Committee meeting held 10 May 2016*' were received. The Chair presented the minutes and confirmed the Committee considered the following;

- Student Survey & Student Concerns
- Teaching Schools
- Admissions/Numbers on Roll
- Self Assessment Development Plan
- Lesson Observations
- Staff Surveys
- Curriculum Update
- Staff Development Report

295. It was **RESOLVED** to note the report from the Development & Standards Committee.

SEARCH COMMITTEE

296. Following the recommendation from the Search Committee, it was **RESOLVED** to appoint Mr Jon Chaloner to be a governor of the College for the period 01 August 2016 to 31 July 2020.

STRATEGIC PLAN UPDATE/RISK MANAGEMENT UPDATE

297. No additions to the Risk Register were identified.

DATES OF NEXT MEETINGS

298. The Corporation noted the programme of committee meeting dates for 2016/17.

ANY OTHER BUSINESS

299. As this was to be the last meeting to be attended by the Principal, the Chair made a presentation to the Principal and proposed a vote of thanks for his excellent leadership and management of Reigate College. All Governors wished the Principal well for his retirement.

PAY AWARD 2016-17

(College officers, the Principal, and the staff governor withdrew for this agenda item)

300. It was noted the College budget 2016-17 agreed through an earlier agenda item incorporated a 1% non-consolidated pay award.

301. It was, therefore, **RESOLVED** to award a 1% non-consolidated pay award (pensionable) for all staff (including senior post holders) effective from 01 August 2016.

The meeting closed at 19.30.

Signed: _____ Date: _____
(Chair)