

MINUTES OF THE PART A MEETING OF REIGATE COLLEGE CORPORATION HELD ON TUESDAY 16 DECEMBER 2014

Present:	Mr Michael Jones	Business Member & Chairman
	Mr Robert Hails	Business Member
	Mr Steve Oxlade	Executive Principal
	Ms Sally Hopper	Staff Member
	Mr Richard Stephen	Business Member
	Mr Arthur Li	Business Member
	Mr Ian Fortune	Business Member
	Mr Noel Grant	Business Member
	Ms Kayleigh Dingwall	Student Member
	Ms Holly Shortland	Student Member

In Attendance:	Ms Kim Saw	Director of Finance
	Mr Jon Allen	Clerk

APOLOGIES, ANNOUNCEMENTS & DECLARATION OF INTERESTS

19. Apologies were received from Stephanie Whitelock, Jennifer Tindle, Mark Coleman, Kirsten Gulluss and Paul Rimmington. The interests of Steve Oxlade, Michael Jones, Robert Hails, and Ian Fortune were declared given their membership of the Corporation of Coulsdon College.

MINUTES

20. It was **RESOLVED** to approve the minutes of the meeting of the Corporation held 30 September 2014 as an accurate record and to authorise the Chair to sign (Paper 1).

MATTERS ARISING

21. There were no matters arising.

SEARCH COMMITTEE REPORT

22. The minutes of the Search Committee held 30 September 2014 were received and **NOTED** (Paper 2).

23. Following interviews conducted by the Search Committee on 05 December 2014, it was **RESOLVED**:

- (i) To increase the Determination of the Corporation from 17 Members to 18 Members;
- (ii) To appoint Dawn Hughes to the Corporation for the period 01 January 2015 to 31 December 2018 and for Dawn to be a member of the Development & Standards Committee;

- (iii) To appoint Stephen Hewes to the Corporation for the period 01 January 2015 to 31 December 2018 and for Stephen to be a member of the Audit Committee;
- (iv) To appoint Ciaran McSharry to the Corporation for the period 01 January 2015 to 31 December 2018 and for Ciaran to be a member of the Management Committee.

24. Mr Arthur Li informed the meeting that due to a move in work location from next year, he would not be seeking to serve a second term of office.

25. A report from the Vice Chairman on possible future membership arrangements for the Corporation at Coulsdon College was received (Paper 3). In addition to the report, Members discussed in detail the issue around consolidated accounts and qualified opinion from the auditors on Reigate's accounts – a later agenda item. In essence, the auditors have taken a firm view that as Reigate College is the appointing body for Coulsdon Corporation, Reigate Corporation has a dominating influence over Coulsdon and therefore the accounts for both Colleges should be consolidated into one.

26. The report from the Vice Chairman proposed to increase the Determination of Coulsdon Corporation membership from 12 to 15. Under the current arrangements, Reigate Corporation has ultimate control over decision-making arrangements at Coulsdon with 6 of the Coulsdon Corporation members being Reigate Governors, and with the Chair, also a Reigate Governor, having the casting vote. This arrangement has ensured a 'majority' for Reigate, a pre-condition for agreeing to enter the Federation. Increasing the size of membership to 15 takes away the existing in built 'majority'.

27. Governors sought assurances that there would be no risk of the Federation becoming disjointed or not working 'together' with both Corporations making decisions that are not in the best interests of the Federation or Reigate College.

28. The Executive Principal confirmed that it would be everyone's loss if the Federation became disjointed in anyway, and the loss to both Colleges would be the 'expertise' and 'sharing of good practice' that has been a real benefit to both Colleges. Any proposal for Coulsdon College to withdraw from the Federation would have to be proposed and recommended by the Senior Management Team at Coulsdon and this would not happen and would not be supported by the Executive Principal.

29. It was agreed that there was a risk around continuing to have qualified accounts. Technically, the Education Funding Agency could issue a notice of concern over Reigate. This in turn could lead to intervention from the 6th Form Commissioner, or Ofsted (but very unlikely as Ofsted is more concerned with success rates

30. It was **AGREED** the Corporation needs to find a position that enables the accounts to be unqualified and it was agreed to report back at the March Corporation meeting on the 'control' issues that have resulted in qualified opinions on the accounts.

31. Following a thorough review of the report from the Vice Chairman, it was **RESOLVED** to:

- (i) Increase the maximum number of members of the Corporation from 12 to 15;
- (ii) Amend the Coulsdon Corporation's Instrument and Articles to remove the requirement for a "parent" member selected through a formal voting procedure amongst the parents;
- (iii) Seek two new members with skills in the area of HR and finance/audit;
- (iv) Approve the appointment of the Oasis Coulsdon Head/Deputy Head to be a member of Coulsdon Corporation;
- (v) Approve the appointment of the Principal of Coulsdon College to be a member of Coulsdon Corporation; and
- (vi) Reappoint Mr Del Attah as a member under the "external" category of membership for the period 01 January 2015 to 31 December 2018.

FEDERATION UPDATE

32. The Principal confirmed the matters he was going to raise under this agenda item had been covered in discussions in the previous agenda item.

MUSIC CENTRE AND PERFORMING ARTS CAPITAL PROJECT

33. The Corporation received the '*Unconfirmed confidential minutes of the Management Committee meeting held 18 November 2014*' (Paper 4) where recommendations were proposed for the Music Centre and Performing Arts Capital Project. As requested at the meeting, the Executive Principal delivered an edited presentation that he gave to the Management Committee.

34. Confirmation was given that the proposed capital expenditure of £1.25m to £1.5 would be met entirely by utilising existing College reserves and there would still be a significant amount of reserves held by the College. It was further confirmed that the use of the reserves would have no negative impact on the College's financial health assessment of 'Outstanding'.

35. Following the presentation, and after reviewing the recommendations proposed by the Management Committee, it was **RESOLVED**:

- (i) To approve the Capital Project at an estimated cost of between £1.25m and not exceeding £1.5m;
- (ii) To delegate authority to the Management Committee to oversee the tendering process and to award the contract should the final cost be within the agreed price range of £1.25m - £1.5m and, under delegated authority, to report the outcomes of the tendering exercise to the Corporation;
- (iii) Should the tendering exercise result in the award of a contract within the agreed price range of £1.25m to £1.5m, to authorise the Executive Principal to sign the contract; and
- (iv) Should the tendering exercise result in a cost that exceeds £1.5m, to refer the matter back to the Corporation.

36. In terms of the timetable for the tendering process, it was confirmed this has been aligned with the scheduled Management Committee meeting on 24 February 2015.

REPORT FROM THE DEVELOPMENT & STANDARDS COMMITTEE

37. The College report '*Unconfirmed minutes of the Development & Standards Committee meeting held 11 November 2014*' were received (Paper 5). In the absence of the Chair of the Committee, Mr A Li presented the report. The Committee considered the following:

- Admissions/Numbers on Roll
- Student Outcomes 2013/14
- Self Assessment Report 2013/14
- Quality Improvement Plan 2014/15
- Learning Support
- Child Protection
- Curriculum Developments

38. In addition to the unconfirmed minutes, the Corporation received the following:

- College Self Assessment Report 2013/14 (Paper 6)
- Child Protection Annual Report 2013/14 (Paper 7)

39. It was confirmed that the College has comfortably exceeded its recruitment target for student numbers.

40. The Corporation welcomed the strong performance of the College when compared against the National Average for 6th Form Colleges confirmed in the table below:

Results Year	Reigate College success rate	National Average for 6 th Forms	Difference RC-6 th Form average
2014	92.80	86.90	5.90
2013	92.88	86.65	6.23
2012	94.17	88.49	5.68
2011	93.12	87.27	5.85
2010	93.75	88.41	5.34
2009	93.77	88.28	5.49
2008	92.43	86.63	5.80
Average for period			5.76

41. The College Self Assessment Report 2013/14 proposed the following judgements/grades:

Overall effectiveness Grade 1 Outstanding

Outcomes for learners	Grade 1	Outstanding
Quality of teaching, learning and assessment	Grade 1	Outstanding
Effectiveness of leadership and management	Grade 1	Outstanding

42. The SAR identified the following key strengths and area for improvement:

Key strengths

- outstanding success rates and excellent value added performance
- very high standard of teaching and learning
- excellent approach to social and educational inclusion
- successful promotion of an ethos of high achievement and respect for all
- outstanding academic and pastoral support for students
- excellent accommodation and resources
- outstanding leadership and management
- strong and effective commitment to equality and diversity

Areas for improvement

- students' success and value added on a small number of courses

43. Following review of the minutes and of the reports made available, it was **RESOLVED** to

- Approve the College Self Assessment Report 2012/13;
- Approve the annual Child protection Report 2012/13; and
- To note the report from the Development & Standards Committee

REPORT FROM THE MANAGEMENT COMMITTEE

44. The College report '*Unconfirmed minutes of the Management Committee meeting held 18 November 2014*' were received (Paper 8). The Chair of the Committee presented the report. The Chair confirmed that the Committee considered the following:

- Management Accounts up to 30 September 2014
- Management Accounts for 12 months up to 31 July 2014
- Financial Statements up to Year Ending 31 July 2014
- Student Union Accounts

45. The year-end forecast paper outlined the reasons behind the £80k negative variance between the set budget and forecast year-end. Additional income of £106k is forecast with additional expenditure £186k. The bulk of the increased expenditure was due to £150k of extra staff costs and the paper provided a further breakdown on the reasons for the increased staff costs. The overall impact was a forecast reduction in the surplus before non-cash items from £1,088m to 1,008m, and the retained surplus of £588k to £508K.

46. The Chair of the Committee confirmed that the Committee agreed not to reset the College Budget 2014/15, but instead, to keep receiving through the

Management Accounts, notification of any variation in performance against the set budget.

47. Following review of the minutes and of the reports made available, it was **RESOLVED** to note the report from the Management Committee.

TERMS OF REFERENCE MANAGEMENT COMMITTEE AND AUDIT COMMITTEE

48. The report from the Clerk was received (Paper 9). The proposal was to amend the Terms of Reference for both the Management Committee and Audit Committee to clarify the process to be followed for reviewing and recommending to the Corporation the approval of the year-end Financial Statements and Accounts.

49. It was **RESOLVED** to approve the following amendment to the Committee's Terms of Reference:

The Management Committee in the first instance to review the financial information and commentary in the year-end accounts, and once reviewed, to inform the Audit Committee of the outcomes of their review. The Audit Committee to consider the outcomes of the review conducted by the Management Committee, and to consider all audit and assurance opinions received, on the adequacy of the operation of financial and other controls before making any final approval recommendations to the Corporation regarding the accounts.

REPORT FROM THE AUDIT COMMITTEE

50. The College report '*Unconfirmed Minutes of the Audit Committee held 02 December 2014*' was received (Paper 10). In the absence of the Chair of the Committee, Mr A Li presented the report. It was confirmed the Committee received and considered reports on:

- Management actions
- Financial Statements Year ended 31 July 2014
- Internal Audit Annual Report 2013/14
- Financial Statement & Regularity Audit Findings Report
- Board Assurance Framework
- Audit Committee's Annual Report 2013/14

51. In addition to the unconfirmed minutes, the Corporation received the following:

- Internal Audit Annual Report 2013/14 (Paper 10)
- Financial Statement & Regularity Audit Findings Report and Letters of Representation (Paper 11)
- Audit Committee's Annual Report 2013/14 (Paper 12)
- Financial Statements Year Ended 31 July 2014 (Paper 13)

52. The '*Audit Findings Report*' raised no significant internal control issues on both the financial statements and regularity of financial transactions. An 'unqualified' regularity audit opinion was confirmed for 2013/14. However, a 'qualified' opinion was again confirmed on the financial statements.

53. As with last year, the qualified opinion is based solely on accounting principles (accounting standard FRS2 which is the standard that sets of the rules of when organisations are required to produce consolidated accounts). The Auditor's view is that Reigate College has effective control over the Corporation of Coulsdon, as the Reigate Corporation has the power to appoint the majority of Coulsdon Corporation members. This appointing power is confirmed in both Colleges' Instrument & Articles of Government that were approved by both Corporations.

54. The view of management, and supported by the Corporation at its meeting held on 17 December 2013, is that both accounts should remain separate entities, as each College operates as a separate financial entity and they have separate funding contracts with the Education Funding Agency (EFA). In addition, both Corporations are separate legal entities. It was agreed for there to be no change in the position of the Corporation on this point, subject to the already agreed action point of receiving a further report on 'control' issues at the next Corporation meeting.

55. The Corporation noted the following opinion from the Financial Statement Auditor confirmed in the Financial Statements:

In our opinion, except for the matter described in the Basis of Qualified Opinion paragraph, the financial statements:

- *give a true and fair view of the state of the College's affairs as at 31st July 2014 and of the College's surplus of income over expenditure for the year then ended; and*
- *have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.*

56. The Financial Statements record a year-end operating surplus of £665k as at 31 July 2014.

57. It was **RESOLVED**:

- (i) To receive and approve the Annual Report 2013/14 from the Audit Committee and to note the following opinion from the Audit Committee:

Overall, based on the information provided to them by the College, the work, reports and audit opinions of the College's Internal and Financial Statement & regularity Auditors, the opinion from the Audit Committee to the Corporation is that reliance can be placed on the College's systems and arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness.

The Audit Committee recommends acceptance by the Corporation of the Annual Report and Financial Statements for the year ended 31st July 2014.

- (ii) To forward a copy of the Audit Committee's Annual Report 2013/14 to the EFA;
- (iii) To receive and approve the Annual Report 2013/14 issued by the Internal Audit Service (Macintyre Hudson);

- (iv) To receive and approve the 'Audit Findings Report' issued by the External Auditor (Baker Tilly);
- (v) To authorise the Chairman to sign on behalf of the Corporation the '*Letter of Representation (Regularity Audit)*'; and
- (vi) To approve the Financial Statements for the year-ended 31 July 2014 and to authorise the Chairman and Principal to sign the accounts before submission to the EFA.

STRATEGIC PLAN UPDATE/RISK MANAGEMENT UPDATE

58. The Executive Principal confirmed the risk on the capital project approved at this meeting has been added to the Risk Database. It was confirmed there were no matters arising from the meeting that required any additions to the Risk Management database.

ANY OTHER BUSINESS

59. There was no other business.

DATE OF NEXT MEETINGS

60. Strategy Planning meeting Tuesday 10 March 2015 at 6pm.
Corporation meeting Tuesday 17 March 2015 at 6pm.

CONFIDENTIAL ITEMS

62. There were no confidential agenda items.

The meeting closed at 20.00.

Signed: _____ Date: _____
(Chair)

Action Points to carry forward:

Minute 30: Corporation needs to find a position that enables the accounts to be unqualified and it was agreed to report back at the March Corporation meeting on the 'control' issues that have resulted in qualified opinions on the accounts.

Minute 35(ii): To delegate authority to the Management Committee to oversee the tendering process subject to the final tender award being approved by the Corporation