

MINUTES OF THE MEETING OF REIGATE COLLEGE CORPORATION HELD ON TUESDAY 07 JULY 2015

Present:	Mr Michael Jones	(Chair)
	Mr Robert Hails	(Vice Chair)
	Mr Richard Stephen	
	Mr Mark Coleman	
	Mr Ian Fortune	
	Mr Ciaran McSharry	
	Mr Stephen Hewes	
	Mr Arthur Li	
	Ms Jennifer Tindle	
	Mr Noel Grant	
	Mr Steve Oxlade	
	Mr Paul Rimmington	
	Ms Stephanie Whitelock	
	Ms Sally Hopper	
Mr Adam Warner		
In Attendance:	Mr Jon Allen	Clerk
	Ms Sally Taylor	Assistant Principal
	Mr Chris Whelan	Assistant Principal & Designate Deputy Principal
	Mr Nick Clark	Assistant Principal & Designate Deputy Principal
	Ms Sarah Walters	Designate Associate Principal
	Ms Kim Saw	Director of Finance

APOLOGIES

125. Apologies were received from Ms Dawn Hughes. The Clerk confirmed the meeting was quorate.

DECLARATION OF INTERESTS

126. There were no declared interests.

WELCOME

127. The newly appointed student governor, Adam Warner, was welcomed to the meeting. It was confirmed that David Creese was the other appointed student governor. The Clerk confirmed that both appointments from the student body would be for the period 01 August 2015 to 31 July 2016.

MINUTES

128. It was **RESOLVED** to approve the minutes of the Corporation held 17 March 2015 and to authorise the Chair to sign the minutes as an accurate record of the meeting.

129. It was **RESOLVED** to approve the minutes of the Corporation held 05 May 2015 and to authorise the Chair to sign the minutes as an accurate record of the meeting.

MATTERS ARISING

130. It was noted the minutes of the Corporation meeting held 16 December 2014 have yet to be confirmed as an accurate record and signed by the Chair. It was agreed for the minutes to be signed at the next meeting.

131. There were no other matters arising.

NEW LEADERSHIP & MANAGEMENT STRUCTURE

132. The new Leadership & Management Structure outlined by the Principal in his presentation to the Corporation was noted for information purposes. Under the new structure from September, the Principal will be supported by two Deputy Principals (Nick Clark, Deputy Principal Transitions and Operations & Chris Whelan Deputy Principal Quality & Learning) and two Associate Principals (Pastoral and Student Support) – Sarah Walters and Paul Rimmington. Sarah Walters was welcomed to her first meeting.

FEDERATION UPDATE

133. The Principal confirmed there were no updates to bring to the attention of the Corporation.

REPORT OF THE MANAGEMENT COMMITTEE

134. The '*Unconfirmed minutes of the Management Committee meetings held 02 June 2015*' were received. The Chair confirmed that the Committee considered the following:

- Management Accounts up to 31 March 2015
- Accommodation & Resources
- College Budget 2015/16
- Letting Policy
- Long Term contracts

135. It was confirmed the Management Accounts up to 31 March 2015 forecast a year-end retained surplus of £470k against the budget of £588k, a negative variance of £118k.

136. 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.

137. The College Budget 2015/16 forecasts income at £10,699k with expenditure at £10,033k, resulting in a surplus before non-cash items of £666k. After taking into account non-cash items of £532k (depreciation etc), the budgeted retained surplus is £134k. Closing cash and deposits are budgeted to be £2,622. The projected EFA financial health assessment, based on the budget, is '**Outstanding**'.

138. 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.

139. The following key points were noted from the review of the 2-Year Financial Forecasts:

- The College continues to show a retained surplus (after the release of capital grants and depreciation charge) for the next 2 years.
- The College's net assets are forecast to grow each year as it remains in surplus, rising from £13.9m at 31st July 2014 to £14.4m at 31st July 2016. For 2016/17 the College is forecasting a retained deficit of £493k (although an operating surplus of £19k) resulting in a reduction in net assets to £13.9m at 31st July 2017.
- The College is forecast to maintain a cash surplus throughout the period rising from £2.7m at 31st July 2013 to £4.5m by 31st July 2016. No significant changes are forecast in other current assets and liabilities.
- In terms of financial health grade, the College remains rated as '**Outstanding**' for 2014/15 and 2015/16 and '**Good**' for 2016/17. The fall in the financial health assessment rating in 2016/17 is due to the reduction in the operating surplus from £666k for 2015/16 to £19k for 2016/17.

140. The 2-Year Financial Forecast included a sensitivity analysis covering a range of possible scenarios. The College's cash-based operating surplus is most sensitive to changes in income (either income per student or number of students) and staff pay. The following sensitivity analysis was noted:

- If the funding rate for 2016/17 is reduced by 5% (but the number of students remains the same), then the operating deficit would be £481k for 2016/17. The financial health assessment would be **Satisfactory**. (If any one of the three ratios used to calculate a College's financial health grade is zero or negative, in this case the performance ratio, then the maximum grade obtainable is **Satisfactory**.)
- If staff pay rises by an additional 1% each year from 2014/15 (in addition to the 1% award for each of 2015/16 and 2016/17 assumed in the plan) the College would show an operating surplus of £592k in 2015/16, and an operating deficit of £60k in 2016/17. The financial health assessment would be **Outstanding** and **Satisfactory** respectively.
- Taking both scenarios together, and including a further 1% increase in operating expenses (in addition to the 1% to 2% increase included in the plan), and a reduction of 10% in other income, the College would show an operating surplus of £525k in 2015/16, and an operating deficit of £623k in 2016/17. The financial health assessment would be **Outstanding** and **Satisfactory** respectively.

141. It was confirmed the possible scenarios outlined in the sensitivity analysis would be subject to on-going review by both the Executive and Management Committee.

142. The Chair confirmed the Committee received a request from the Development & Standards Committee for consideration to be given to spend £50,000 to provide an additional heated canopy for students to use. The request stemmed from the recent staff survey that showed only 56% of staff thought that seating areas for students was adequate, well below the satisfaction target of 85%. The Management Committee agreed to make a recommendation to the Corporation to approve the additional capital expenditure

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

- (i) To approve the 'College Budget 2054/16' and '2-Year Financial 2015/16 & 2016/17';
- (ii) To approve an additional £50k capital expenditure over and above the already approved 2015 summer works capital programme to provide a heated canopy for students; and
- (iii) To note the report from the Management Committee.

REPORT OF THE AUDIT COMMITTEE

144. The 'Unconfirmed Minutes of the Audit Committee held 23 June 2015' 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 2015/16
- Board Assurance and Risk Management

145. The Chair confirmed the Corporation is being asked to approve the Financial Statement & Regularity Audit Plan for the Year-end Accounts 31 July 2015. The Chair confirmed the audit would focus on three key areas – capital projects, control & dominating influence, and the management override of controls. The proposed fee of £13,900 plus VAT is in line with the previously agreed fee.

146. It was **RESOLVED** to:

- (i) Approve the Financial Statement & Regularity Audit Plan for the Year-end Accounts 31 July 2015 at a fee of £13,900 plus VAT; and
- (ii) To note the report from the Audit Committee.

REPORT OF THE DEVELOPMENT & STANDARDS COMMITTEE

147. The 'Unconfirmed minutes of the Development & Standards Committee meeting held 12 May 2015' 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 2014/15
- Lesson Observations
- Staff Surveys
- Curriculum Update

- Staff Development Report 2013/14

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

FAREWELLS AND THE REPORT OF THE SEARCH COMMITTEE

149. The Chair informed the Corporation that this was the last meeting to be attended by Mr Arthur Li, and on behalf of the Corporation, the Chair thanked Arthur for his services to the College during his tenure of office. Arthur in turn thanked the Chair and said it was a privilege for him to have worked with the Principal, College staff, and governors.

150. The Chair also announced that this was also the last meeting to be attended by Mr Paul Rimmington and Ms Stephanie Whitelock. The Chair thanked both the staff governors for their contributions during their period of office.

151. The Clerk confirmed that nominations from staff for staff governor representation would be sought at the start of the new academic year in September.

152. The Clerk confirmed there would be a review of Committee membership for 2015/16 and proposals for Committee membership would be an agenda item at the Corporation meeting scheduled for 26 September 2015.

153. Following the recommendation from the Search Committee, it was **RESOLVED** to appoint Mr Adrian Lee to the Corporation and for his term of office to be from 01 August 2015 to 31 July 2019.

154. It was further **AGREED** for Mr Lee to be a member of the Audit Committee.

STRATEGIC PLAN UPDATE/RISK MANAGEMENT UPDATE

155. The Principal confirmed the next update would be in response to the outcomes of the forthcoming Comprehensive Spending Review that is due to be announced in the autumn.

ANY OTHER BUSINESS

156. There was no other business,

DATE OF NEXT MEETING

157. Tuesday 26 September 2015 @1800

The meeting closed at 19.15

Signed: _____ Date: _____
(Chair)

Action Points:

Minute Ref 130: Minutes of the Corporation meeting held 16 December 2014 to be confirmed as an accurate record and signed by the Chair.

Minute Ref 151: Nominations from staff for staff governor representation to be sought at the start of the new academic year in September

Minute Ref 152: To agree Committee membership 2015/16