

Meeting/Committee	Extraordinary Corporation Board Meeting
Date of meeting	26/1/21 (via Google Meet)

1 Declarations of Interest and Eligibility

The Chair requested Governors declare any interests at the appropriate time during the meeting.

2 Welcome, introduction and apologies

Attendees:

Catherine Burn	Chair of the Corporation
Jason Austin	Principal & CEO
Abigail Ward	
Angela Phillips	
Gareth Owen	
Heather Barnett	
Janet Pryke	
Jennifer Worsdale	
Joanna White	
Katie Curtis	
Lindsey Littlewood	
Monika Rodzos	
Stephen Bulley	
Veronica Bruce-McCoy	

In attendance:

Kate Noble	Executive Director of Finance
Jane Hartog	Executive Director of HR & Marketing
Virginia Parkes	Director of Governance
Catherine Mollart (minutes)	Head of Corporate Services

Apologies for absence

Mirella Palazzo

3 Statement of Going Concern

The ED:Finance gave an update on changes which had been made to the Going Concern paper :

- Page 5 –Dinnington Campus approved for purchase by RMBC, Heads of Terms are currently in the process of being agreed. Aiming for a March completion date.

- Sensitivity Analysis, the ED:Finance explained that the Auditors wanted to review specific risks relating to Cashflow and Covenants, specifically given the current environment for assurance. The ED:Finance explained the effects and impacts of risks. The ED:Finance explained the Auditors had met with the Group's Bank and were satisfied with the outcome of the conversation.
- The ED:Finance confirmed that the RCF had been repaid earlier than anticipated. It was originally due to be paid in March 2021 but had been repaid in January 2021, the cashflow position supported this decision.
- The ED:Finance advised of a risk which had not been included relating to furlough (specifically NFPC). If the furlough scheme ended and income levels did not return to expected levels. The Group will consider actions to mitigate this if required to do so.

Approved : The Going Concern Paper was approved by the Board.

4 RNN Group Audit Findings

The ED:Finance presented the Audit Findings Summary Report and highlighted the key areas :

- The Going Concern Paper, has now been signed off with the above-mentioned areas reviewed.
- No material changes to the findings.

5a Financial Statements Year Ending 31 July 2020

The ED:Finance advised that there had been no changes to the Financial Statements since December.

The ED:Finance highlighted Page 11 – Going Concern and explained that the text highlighted in yellow, outlining the risks and positives and negatives, was the wording proposed to use within the Accounts. The Auditors had agreed to the wording.

The Chair of the Audit Committee said the wording had not been approved by the Audit Committee due to timings as it had been done after the committee date.

The Chair of the Audit Committee said a lot of work had gone into achieving the final sign-off and thanked the ED:Finance.

SB commented that this information had been shared with the Audit Committee and they were happy with the statements and that a thorough process had been followed.

The Chair of the Audit Committee said detailed monitoring/reporting from the Finance Committee and triangulation to the Audit Committee was crucial moving forwards. The Chair agreed and asked the Quality & Standards Committee also be included within this.

The Chair of the Audit Committee suggested an Opportunity Register to ensure opportunities are not missed. The Chair agreed this was a good suggestion, a structure will be put in place.

VM suggested that a working group be implemented to look at this imminently – The Chair suggested that the CEO feedback on the progress of this via his normal reports to the Board.

The Chair of the Quality & Standards Committee said that opportunities had been discussed at the Quality & Standards Committee regarding online courses. She assured that risk is monitored through Quality & Standards Committee, linking to finance and audit.

The Chair of the Audit Committee suggested a meeting with Committee Chairs and the relevant Exec Members responsible for those areas.

GO wanted to echo comments of others regarding the papers presented and place on record comments from the Auditors which thanked the ED:Finance and her team for all the work which has gone into getting the Group into this position.

Approved : The Financial Statements year ending July 2020 were approved by the Board.

Action : Schedule of Meetings of Committee Chairs / Exec Members.

5b Letters of Representation

The ED:Finance advised that the Letter of Representation reiterates the comments for the Group, changes were highlighted within the letter in grey text.

Approved : The Letters of Representation were approved by the Board.

6 Letter of Support - NFPC

The ED:Finance advised this letter of support was a requirement of the Auditors. It states that the Group will provide support for NFPC from the date of signing for 12 months. The ED:Finance advised the NFPC Board will be monitoring throughout this period in order to control the forecast/cashflow.

The Chair of the Finance Committee advised an NFPC Board meeting had taken place this week and discussion had already started about post lockdown and what actions may be taken if turnover doesn't increase.

The Chair reminded that work was being done with HEIs regarding further collaboration and opportunities with NFPC.

Approved : The Letter of Support was approved by the Board.

7 Finance Record

The ED:Finance explained the need for the Finance Record, this is a statutory document required by the ESFA. The ED:Finance advised that all the figures on the spreadsheet presented replicated those in the Accounts.

The ED:Finance highlighted the financial health – at the point of the forecast remains 'Good'. This has potential to change if the effects of the lockdown continue, however, this would be reflected at the point of a reforecast.

The ED:Finance advised that the Group have moderated the 2020 Financial Health to 'Requires Improvement' following discussion with the ESFA about the reasons for the scoring of 110 and the current financial health of the Group.

Within the year-end figures are reductions in the forecast outturn position of our commercial businesses, this was solely due to the closure of these commercial businesses in March 2020 due to COVID-19. This led to a £321k increase to the overall deficit for the Group.

This was ratified by the ESFA on 13 January 2021 and accordingly RNN were informed that they will not be issued with a Financial Notice to Improve.

The ED:Finance asked for agreement in terms of the wording.

The Chair reiterated her thanks to the ED:Finance and her team which had been recognised by the ESFA and members of the Board.

Approved : The Finance Record was approved by the Board.

8 Regularity Self-Assessment Questionnaire (SAQ) (required by External Auditors)

The ED:Finance advised that the Self-Assessment Questionnaires were standard and produced annually to check for any breaches that may have occurred.

The ED:Finance highlighted the second point which related to COVID. In particular the PPN notice for paying suppliers/sub-contracting, RNN agreed to pay AEB contracts, the ED:Finance advised this was done in line with the conditions stated.

Approved : The Regularity Self-Questionnaires were agreed by the Board.

9 Annual Report of the Committee to the Corporation and Accounting Officer

The Chair of the Audit Committee presented the Annual Report as read. She advised there had been a discussion at a previous Audit Committee and changes made as presented, including more detail.

Approved : Annual Report of the Audit Committee

10 Any other items of urgent business

None stated.

11 Date and time of next meeting

Wednesday 10th February at 5pm.

The meeting closed at 5.34pm

Signed _____ Chair

Date _____