

Meeting/Committee	Corporation Board
Date of meeting	12 th December 2022 at 5pm

1 Welcome, introductions and apologies for absence

Attendees:

Janet Pryke	Chair
Jason Austin	Principal/CEO
Stephen Bulley	
Monika Rodzos	
Jenny Worsdale	
Heather Barnett	
Shirley Collier	
Donna Clifford	(from 5.30pm)
Carol Stanfield	
Debbie Marshall	
Wade Makey	
Katie Asgari	

In attendance:

Maxine Bagshaw	Director of Governance
Phil Curtis	Executive Director of Finance
Jane Hartog	Executive Director of Marketing OD and HR
Tracey Mace-Akroyd	Deputy Principal/CEO
Ryan Falls	External Auditor (for agenda item 6)

Apologies for absence:

Apologies for absence were received from Margaret Cobb, Sharron Blackburn, Veronica De Bruce McCoy, Katie Curtis and Cath Mollart.

2 Declarations of interest

The Chair reminded everyone present to declare any interests that they may have on matters to be discussed. No specific declarations were made and standing declarations were noted.

3 Minutes of the meeting held on 17th October 2022

The minutes were reviewed and, subject to a typographical error and slight word adjustment in relation to one paragraph requested by Margaret Cobb, it was agreed that they were an accurate record of discussions. Director of Governance confirmed that she would make the changes requested in the final version which

would then be uploaded to the college website. (Director of Governance, December 2022)

AGREED: to approve the minutes of the meeting held on 17th October 2022.

There were no matters arising.

4 Action progress report

Board were happy to note the content of the update provided.

5 Joint meeting of the Audit & Risk and Finance & Resources Committee held on 24th November 2022

The joint meeting Chair drew governors' attention to the summary note and also the detailed minutes of the meeting and explained that, largely the content was going to be covered in the subsequent agenda item. He cross referenced with the approvals proposed and to be discussed in the next item.

In terms of a general update, it was confirmed that:

- Internal audit for 2022/23 is still very much in the early stages with one report completed. All other areas to be audited are in the planning stage.
- Most of the topics discussed by the committees are schedule separately on this agenda except for emerging risks, which were identified as:
 - ONS reclassification
 - Cost of living challenges
 - Staffing

AGREED: to note the content of the update provided.

6 2021/22 Financial Yearend

A number of key items were presented and discussed by the board including:

1) 2021/22 Financial Statements Audit Management Letter

External auditors, CavanaghKelly, drew the boards attention to their report and reminded that the draft had been presented to the joint meeting on 24th November 2022. He then provided an update on the items which were still outstanding at that meeting and confirmed:

- All external audit work is complete save for information required from the ESFA on potential clawback
- Auditors have received all other information and have been able to complete the work required
- Auditors are happy with the accounts disclosures
- Auditors and the group have been able to clarify the position requested with pension actuaries and they have been able to relieve some of the concerns raised. Any movements are largely immaterial and therefore the group will not need to make a note in the accounts.
- Auditors are content with the position in relation to the significant risks identified

Board were then advised that one additional aspect now outstanding is ESFA assurance required that monies received during the year are correct. The group has been chosen by the ESFA for an external audit in relation

to this. Price Waterhouse Coopers (PWC) have been commissioned to give them assurance. Both the group and auditors had hoped to have this concluded by the end of December but this will not now be the case as currently they have only looked at two out of the five funding streams. Executive Director Finance described their work as 'progressing very slowly'. This then means that the group cannot finalise and sign off the yearend accounts until January 2023, as external auditors will not sign off their part of the audit until Price Waterhouse Coopers have completed their work on behalf of the ESFA. It was confirmed that, because of this, the group has requested a filing extension with the ESFA.

In general discussion the board were advised that the selection of RNN to be audited is random, rather than anything which has raised a red flag as a concern. Governors were reminded that internal auditors have reviewed this element of group activity as well, which should provide some comfort regarding the likely outcome of the audit and that this sits alongside the fact that external auditors have also tested income recognition. CEO advised that there is a PIMS meeting scheduled tomorrow with the ESFA and that this is an opportunity to obtain clarification regarding the likely timescales for conclusion of their audit.

In these circumstances it was agreed to note the content of the 21/22 draft Financial Statements Audit Management Letter and it was agreed that any further update, following conclusion of the PWC audit, would be reported at a subsequent meeting (ED: Finance, February 2023).

2) Letter of Representation

Executive Director Finance confirmed that this was a standard format requirement by external auditors and he confirmed that the recommendation from the joint meeting was to approve.

3) Regularity Self-Assessment Questionnaire

Executive Director Finance presented this for approval and confirmed that any additional commentary or update requested by governors at the joint meeting had been incorporated.

4) Letter of Support for the subsidiary company: National Fluid Power Centre Limited

Executive Director Finance explained that this letter of support is required because of the loan arrangements between the group and the company. He confirmed that governors at the joint meeting had agreed to recommend for approval. Board noted that in 2023 the company would be planning the arrangements required to pay back the loan over an agreed period.

5) Deeds of Covenant for the subsidiary companies: NFPC and RES Limited

Executive Director Finance advised that these are required to ensure correct arrangements are in place for either of the subsidiary companies to gift aid any profits generated year on year to the parent company.

6) Audit Committees Annual Report to the Board 2021/22

Audit Committee Chair confirmed that this had been reviewed in detail and any additions or changes requested had been incorporated and is therefore provided for information and assurance today.

7) Members Report and Financial Statements

Executive Director Finance confirmed that there have been a number of opportunities for governors to comment and contribute and that all changes requested and/or additions have been incorporated. Board were happy to approve in principle, but acknowledged that they couldn't be finalised and signed until the PWC audit is concluded and final external audit management letter received.

8) Going Concern confirmation report

Executive Director Finance reminded that the board must be satisfied that the group remains a going concern for the 12 month period following signature of the accounts and he explained that the content of the report was provided to give governors assurance in relation to this.

AGREED to:

- a) Note the content of the draft 2021/22 Financial Statements Audit Management letter
- b) Note the content of the Audit Committees Annual Report for 21/22
- c) Approve, in principle, the Members Report and Financial Statements for 21/22
- d) Confirm that the board agrees that the group remains a going concern for the next 12 month period
- e) Approve the content of the Letter of Representation
- f) Approve the content of the 21/22 Regularity Self-Assessment Questionnaire
- g) Approve the Letter of Support for NFPC Limited
- h) Approve the content of the deeds covenant for NFPC Limited and RES Limited
- i) Note the content of the strategic risk register for 2022/23 provided

Board were happy to authorise staff and the Chair of Governors to sign the approved documentation on behalf of the group.

(Ryan Falls left the meeting at 5.10pm)

7 CEO's update

CEO provided a presentation and explained the intention to give updates on a number of key aspects, including:

- Ofsted
- CEFSS – Curriculum planning
- ONS reclassification
- Capital funding
- Stakeholder engagement
- Attendance culture – which links in to some of the Ofsted feedback provided
- Salary sacrifice scheme

- 1) Ofsted – key matters highlighted were:
 - Provisional grading judgement of 'good'

- In terms of timeline, the report should be with the group within 38 days of the inspection
- All aspects were determined to be good i.e. a grade 2
- Skills judgement is a 'reasonable contribution' to meeting skills needs
- Overall effectiveness also a grade 2
- This is a really valuable marketing opportunity for 2023

2) CEFSS – introduction:

- CEFSS pilot - the Department for Education offers colleges support from specialists within the FE Commissioner team and peer to peer support, including from NLFES and NLGs. Support is tailored to individual needs and planned in agreement with the college.
- The Curriculum Efficiency and Financial Sustainability Support (CEFSS) pilots aim to:
 - Utilise existing/trusted FEC and NLFE expertise to review, challenge and advise colleges
 - Join up FEC, NLFE and college expertise to achieve improved efficiencies.
 - Share best practice
 - Create a coordinated, jointly agreed suggested action plan
 - Engage in periodic FEC/NLFE follow up sessions, capture successes and lessons learned
 - Provide practical guidance and support to the sector to encourage continuous improvement
- Group had its first meeting today with Andrew Tiley and Jo Pretty. This was an opportunity to talk through the agenda for future work.
- Part of the process will be undertaking benchmarking analysis using published 2020/21 finance records data. There are a range of colleges which can and will be used for comparison purposes. Quite a few on the list are similar to RNN, in terms of financial position and structures.
- Next step is for the senior team to visit LSET to share good practice
- Meeting earlier today allowed the group to clarify what it wants to get out of the pilot project. It was an opportunity to revisit and confirm CEFSS themes and areas to explore, which include:
 - Review of current curriculum planning processes, tools, outputs and reports
 - Staff contracts, utilisation and remission
 - Conversion rates, internal progression
 - Curriculum strategy, intent, meeting skills needs and future planning
 - Finance benchmarking, review of non-curriculum costs for support services and resources
 - Apprenticeships and higher level apprenticeships
 - Curriculum manager perspectives on curriculum planning
- The meeting was an opportunity for advisors to meet many of the cross college management team

3) Curriculum planning – key matters highlighted were:

- Group curriculum planning has now commenced and, included as part of this are the skills plan routes. This is the starting point to ensure planning aligns with employer needs.
- Carol Stanfield, in her link governor role, was able to attend part of the day and has provided some helpful feedback

4) Office for National Statistics reclassification that colleges will be in the 'public sector'

Key matters highlighted were:

- There are no planned changes to the law. Colleges continue to be self-governing corporations with charitable status and with responsibility for their educational character, their own courses, contracts and relationships with staff and students.
- Colleges will retain their reserves, any surpluses they make or assets they sell and also have the ability to manage their own capital spending and can take out leases.
- Proceeds from the sale of assets must be ring fenced for future capital expenditure. This will impact on the sale of Kiveton and Dinnington.
- There will be no changes to VAT treatment
- Commercial borrowing will be unlikely to be possible but no changes to existing loans
- NFPC and RES will both be deemed under public control and thus follow the same regulations as colleges
- DfE will be distributing £150 million in spring 2023 in formula based capital grants to FE colleges and will be bringing forward £300 million in revenue payments from summer 2023 to reduce the need for borrowing.
- Consent will be required from the ESFA for write offs above £45k
- Insurance may become available through the governments risk protection arrangements although this does exclude some types of cover e.g. cyber.
- Colleges will be expected to contribute to the reporting of whole government accounts

5) Capital funding – key matters highlighted were:

- Additional FE funding for 22/23 financial year – this is ear marked for energy efficiency projects. Payment made in January 2022 was £346,304.
- Post 16 capacity fund bid has been submitted with the outcome to be announced in spring 2023. This is to potentially support the move of construction provision from leased premises at Rawmarsh to Rotherham Campus.
- T level capital fund wave 5
 - Specialist equipment allocation – all colleges will receive this
 - Building and facilities improvement grant (BFIG) – colleges will have to submit bids in relation to this.
 - Submission deadline is 3rd February 2023. Intention is to provide details on this as part of the wider estates strategy discussions which are scheduled for the strategy review day on 24th January 2023 (ED: Finance, 24.1.2023).

6) Stakeholder engagement – key matters highlighted were:

- South Yorkshire Colleges Partnership (SYCP) - Principals and Chairs inviting all to meet to review collaboration initiatives and opportunities
- Devolution – Derbyshire, Nottingham and Nottinghamshire – meetings have all been very informative with all councils present.
- LSIP consultation is being conducted by the Federation of Small Businesses for Derbyshire and Nottinghamshire. Consultation included a number of workshops on skills. It is going to be really important to get AEB right for the area.

- Cost of living – monthly meetings with Rotherham Together Partnership
- Multiply project across SYCP - £600k to be delivered in 2022/23. SYMCA have asked all colleges to move forward quickly in relation to this.
- Collaborative agreement – SYCP and SHU for HTQ's
- Made smarter – partnership bid with the University of Hull and Laventar for £461,725. Expected outcome notification is 16th December 2022.
- Curriculum planning – started at the visioning day on 23rd November 2022
- The Rotherham plan is to be discussed under AOB and is a very positive publication so far as the group is concerned

7) Attendance culture

Key matters highlighted were:

- Attendance was identified as 'requiring improvement' by Ofsted across all sites
- Ofsted did acknowledge that the group has made a start to try and address issues and bring about improvements but this really now needs to have even more of a focus than has previously been the case.
- Group has introduced the '12 days of christmas' initiative to try and maintain attendance levels in the run up to the christmas break
- Flexible timetables are being offered wherever required and possible
- A review of the buses has been completed with a view to supporting students based on their feedback. Eight new stops will be added in November 2023.

8) Salary Sacrifice Scheme

CEO advised that this is a scheme in partnership with Tusca and is particularly focused on enabling the purchase of electric vehicles. Plan is to launch in January 2023. HR staff and the finance team have done a lot of work to source this as an opportunity.

In concluding the presentation, CEO drew governors' attention to the article about Emma Radcliffe who has been named as the BTEC land based learner of the year for 2022. CEO advised that this was an area of new provision for the group and therefore an excellent result, both for Emma and the group.

In terms of the presentation content, the CEO advised that the next stage of developments will be to look at a number of key areas of focus, including:

- Staff numbers
- Staff utilisation
- Curriculum
- HE strategy

AGREED: to note the content of the update provided.

8 Discussion items identified by committees

1) Joint meeting of the Audit & Risk and Finance & Resources Committee on 24th November 2022

It was agreed that the focus of discussions for governors today would be on the emerging risks and particularly:

- a) ONS reclassification
- b) Cost of living issues which are very much linked to pay discussions. It was explained that there is a real risk that staff may go elsewhere. Also identified is a risk in relation to student attendance and withdrawals and therefore it is important that the group can provide all the support it can.

In relation to the ONS classification decision, there were a number of key matters highlighted:

- College is now reclassified as being in the public sector
- Restriction on loans in the future. RNN does have one expiring in 2025 and therefore will no longer be able to renegotiate with the bank. Group may be able to access government backed loans and these may potentially be at more beneficial rates.
- There will now be more control placed on subsidiary companies
- Financial accounting will need to be in a different format but the group will not have a different yearend. Colleges will have to contribute to the set of accounts created by the government.

One governor asked whether the group will be subject to any additional audits i.e. on two sets of accounts. Executive Director Finance indicated that this would not be the case and that the government accounts would use audited figures up to 31st July and then take the actuals on the internal data systems for the period August to April each year.

One governor asked how the group will quantify the likely/potential impact e.g. likely borrowing wishes for the future and they asked if there is anything specific to consider for RNN. Executive Director Finance expressed the view that there is still likely to be borrowing available, albeit that there may be more hoops to jump through in the process. Challenge from the board was not to clutter the risk register with a lot of items in relation to this, particularly if nothing can be done to mitigate or change the risk and the impact is likely to be low. That said, it was acknowledged that future changes do need to be kept 'on the radar'. All agreed that there may have been greater concerns for the group if it had identified that there were estate and IT investment needs which had to be supported by borrowing.

One governor asked for further information regarding capital sale proceeds. Executive Director Finance expressed the view that, whilst they will need to be ringfenced, it does look as if it is possible to use funds for IT investment and not just buildings.

An observation made by one governor was that if colleges are now required to go through a more robust loan justification process then it is not necessarily a bad thing for the sector.

2) Quality and Standards Committee meeting held on 1st December 2022

Committee Chair advised that this had been a shortened meeting which had focused upon Ofsted outcomes and included quite a detailed conversation regarding the draft SAR and how this might change to reflect the Ofsted feedback comments shared by the Deputy CEO. She advised that recognition of the groups improved position and journey in relation to apprenticeship provision was a positive. Intention is to finally validate the SAR and review the updated 2022/23 QIP in January 2023.

Board were advised that the meeting minutes are provided within confidential papers and that this is because the outcome is currently embargoed and also there were some

programme area specifics discussed and communication in relation to these needs to be further considered.

Feedback to the committee was that in many areas the group is hitting some of the 'outstanding' descriptors, however to secure an Ofsted outstanding grade the group would need to hit all of the criteria. Group was close to outstanding in a number of areas, including high needs and behaviour and attitudes, however in relation to the latter attendance let the situation down. Inspectors did however all acknowledge that they had seen good behaviours. It was confirmed that attendance will be a real focus in the QIP.

Deputy CEO then summarised other lessons learned, including:

- Adult provision and particularly access to HE
- More that the group can report on in terms of adult curriculum, particularly at Level 3
- Inspectors saw strong teaching and learning and personal development and all agreed that when students were not attending they were missing out

In terms of the overall position, there are three areas for improvement which are:

- Attendance and punctuality
- Rapidly improving curriculum areas where they are not at the standard required
- Information capture used by all teachers. Particularly capturing English and Maths starting points and then these being used by all staff i.e. English and Maths and vocational delivery.

Board took the opportunity to express their appreciation and gratitude to all staff who have led on this, they acknowledged the hard work and commitment that has driven forward improvements. All were pleased that governance had reflected well and that the role of governors in challenging had been evident and strong.

Committee Chair indicated that, whilst the committee has seen a draft QIP this will now be reviewed with the intention of it being more explicit and 'hard hitting'. Aim is to stay focused on the areas requiring improvement.

Governors all agreed that the Ofsted outcome was great recognition for all staff and that everyone had done really well.

3) Finance and Resources Committee meeting held on 6th December 2022

Committee Chair confirmed that there were three topics highlighted as requiring board focus, including:

- AEB – what the group needs to do to achieve the numbers
- Environmental and sustainability progress
- Group estates strategy – which is planned for in depth discussion on 24th January 2023.

Other matters discussed were submission of the T Level bid in early February 2023, again this will be discussed at the review day on 24th January. Scheme of Delegation to be introduced was reviewed in detail and is scheduled for further discussion at agenda item 10.

AGREED: to note the content of the updates provided.

9 **Apprenticeships – Financial Update**

Executive Director Finance drew governors' attention to his written report and confirmed that the information provided is that requested at the last meeting. Key matters highlighted were:

- Curriculum planning figure from summer 2022 had forecast a total income of £2,983,948 with 510 new starts, 584 funded continuing learners and 114 continuing non funded learners making 1208 in total.
- Predicted funding for current learners is £2,571,871 for a total of 864 learners
- This is expected to rise to £2,815,567 as enrolments continue throughout the year
- At the time of preparing the report, 297 new learners had enrolled on to programmes

In relation to the anticipated shortfall governors asked whether there is a planned equivalent amount in terms of cost savings. It was agreed that this would be discussed as part of the budget setting strategy scheduled for discussion later in the meeting.

One governor commented that, at a recent Task and Finish Group meeting with apprentices, some had talked about a challenging start to their course and some delays and she asked whether it means that the 510 new starts will be disrupted and are there any risks in terms of learner experience. Deputy Principal indicated that roll on roll off is predominantly on offsite and blended delivery and not in engineering and construction as groups start together when they all come together on site. Deputy Principal confirmed that she would however check the position in relation to this (Deputy CEO, December 2022).

AGREED: to note the content of the update provided.

10 Scheme of Delegation

Director of Governance presented this and explained the context for its creation and the aim being to provide clarity regarding the levels of approval required for various aspects of activity. One governor commented that it would helpful to also add in any governance aspects, particularly in terms of performance evaluation. It was agreed that the Director of Governance would cross reference with the terms of reference for the Search and Governance Committee and ensure that all aspects of activity that they look at throughout the year is included where a decision or recommendation is likely. Board were happy to approve in principle with the addition of the section suggested.

Director of Governance also noted the need to change any reference to 'college' to 'group' for consistency. It was agreed that the Director of Governance would update. (Director of Governance, January 2023).

AGREED With the addition of a governance section, to in principle approve the Scheme of Delegation as presented.

11 Stakeholder Engagement Strategy

Deputy CEO presented this for approval and reminded that it had been reviewed in detail at the last meeting. She provided assurance that all feedback has been considered with updates made, including:

- List of actions streamlined
- Now reads more consistently

She advised that, at the CEFSS meeting earlier, all had agreed it was a useful document. Intention is to revisit each year as priorities change.

AGREED: to approve the Stakeholder Engagement Strategy as presented.

12 Governance

The Director of Governance introduced her written report and a number of aspects were considered, including:

1) Ratification of written resolutions

Board were reminded that, since the October meeting, there have been two decisions which were required to be made by written resolution. These are

- Post 16 capacity fund capital bid submission– details were sent out in an email dated 8th November 2022
- Contract with Kingdom Recruitment Limited – proposal was sent out in an email dated 25th November 2022 following discussions at the joint meeting of A&R and F&R on 24th November 2022.

AGREED: to formally ratify the written resolution requests and approvals given on 8th and 25th November 2022.

2) New governor appointments

Board were advised that interviews have taken place with two potential candidates and the panels would wish to put forward the recommendation that they are appointed for a 4 year term of office between 12th December 2022 to 12th December 2026. CV's for Paul Lomas and David Grimes were considered. In relation to David Grimes one governor asked whether there were any potential conflicts of interest. Interview panel indicated that this had not flagged as a concern during the interview. It was agreed that an interview question, to be asked of all potential candidates, is whether or not they consider there to be any actual or perceived conflicts of interest. All agreed that this was a useful line of enquiry. Chair specifically commented that she had found Peridot, the recruitment consultants appointed by the DfE, to be really helpful and positive.

AGREED: to appoint Paul Lomas and David Grimes as independent governors from 12th December 2022 to 12th December 2026.

Board were happy to note the content of the induction and site tours arranged and also the fact that there were two other individuals to be interviewed in January, with an update on these to be provided at the next meeting.

Board were happy to delegate authority to the Chair to agree which subcommittees Paul Lomas and David Grimes would be invited to sit on.

13 Items provided for information

A number of documents were provided for information, including:

- Quality and Standards Committee Chairs report
- Finance and Resources Committee Chairs report and minutes of the meeting held on 6th December 2022
- QIP 2021/22 yearend
- Management accounts for October 2022
- Strategic risk register
- ESFA letter on CFFR 2022-2024

Governors were happy to note for information purposes and confirmed that there were no questions that they would want to ask at this meeting.

AGREED: to note the content of the information provided.

14 AOB

As an additional item of business, the CEO invited the board to consider the Rotherham Plan. He explained that this was a revised plan from the Local Authority and that they have asked all partners to share with relevant governing boards for endorsement. He confirmed that the RNN Group is considered to be a key partner and that the plan aligns with some of the priorities identified by the group. Intention is for the plan, as drafted, to be presented to the council for approval on 19th December 2022.

One member of the board asked whether there is anything within the plan which would raise concerns in terms of the groups ability to make its own decisions if it is a 'partner'. CEO indicated that, one issue to potentially consider and has been discussed, is the plans commitment to pay the real living wage, particularly because the group currently doesn't do this. Local Authority view is that not all partners will be in a position to afford this but that the aim is to work towards it eventually.

CEO confirmed that senior staff at RNN have contributed to the development of the plan and feel that it is a positive for the group in terms of skills. It was agreed that governors would provide any feedback views direct to the CEO outside the meeting, on or before the 16th December 2022, so that this can then be communicated to the Local Authority before their meeting on 19th. In principle, the board indicated they could support and endorse the plan, with any additional comments and/or observations to be provided outside the meeting.

15 Date and time of next meeting

This was confirmed as 6th February 2023 at 5pm.

16 Confidential items

It was agreed that confidential items would be recorded on a separate basis.

(Staff and Student governors left the meeting at 6.15pm)

Meeting closed at 7.20pm.

Signed _____ Chair

Date _____