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| Meeting/Committee | Corporation Board |
| Date of meeting | 22 nd May 2023 at 5pm |

1 Welcome, introductions and apologies for absence

Attendees:

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| Janet Pryke | Chair |
| Jason Austin | Principal/CEO |
| Heather Barnett | Governor |
| Jenny Worsdale | Governor |
| Stephen Bulley | Governor |
| Shirley Collier | Governor |
| Carol Stanfield | Governor |
| Margaret Cobb | Governor |
| Debbie Marshall | Governor |
| Paul Lomas | Governor |
| David Grimes | Governor |
| Sally Gillborn | Governor |
| Donna Clifford | Governor |
| 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 |
| Cath Mollart | Director of Strategic Planning and Corporate Services |

Apologies for absence:

Apologies for absence were received from Katie Asgari and Katie Curtis. Absent without apologies was Veronica McCoy, Sharron Blackburn, Monika Rodzos and Amana Saith.

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 27th March 2023

The minutes were reviewed and it was agreed that they were an accurate record of discussions.

AGREED: to approve the minutes of the meeting held on 27th March 2023.

There were no matters arising.

4 Action progress report

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

5 CEO's update

CEO provided an update and explained that the intention today was to give key updates on a number of aspects, including:

- Applications data
- Accountability agreement
- Post 16 capacity fund 2022/23 application outcome
- Funding overview
- Curriculum planning
- World skills

Matters highlighted were:

- World skills – there are 31 students through to the regional finals which is a better position than ever before
- Applications data – governors' attention was drawn to the table which gives the year comparison up to 22nd May 2023
- Study programme number is 2948 which is +378 when compared to this year. Information is broken down by campuses, all of which are showing an increase on the prior year
- Information is also broken down by subcontracting and partners and focus now is on keep warm up activities and conversion
- Adult numbers are currently behind the prior year position and therefore there is a need to carefully track this
- HE numbers are below last year
- Part time numbers need to be analysed and tracked. It could have a link to numbers seen in the adult line
- Subtotal is +298 which is a positive picture, particularly in relation to study programme learners.

One governor noted that Sheffield College is closing its centre at Crystal Peaks and questioned whether this could be a positive for RNN. CEO indicated that this is a possibility, but that there are only 300 students at the Crystal Peaks centre. Whether or not RNN is able to recruit some of these would really depend on a number of factors and an example given was bus routes.

One governor asked whether the study programme applications reported are individuals or whether there are some multiple applications included within the data. CEO confirmed that some will be multiple and advised that the team are analysing this to ensure that the group is comparing like with like.

- Post 16 capacity fund
- The post 16 capacity fund will be allocated by a grant of £3,957,236 or 100% of the total project cost (whichever is the lesser amount)
- It supports students moving out of the Rawmarsh premises
- Project spend and grant profile form has to be populated and returned with a signed declaration accepting the terms of the grant funding agreement
- Deadline is the 8th June 2023
- Capital allocation announcement and T Level specialist equipment allocation 2023
- Additional capital funding for the 2022-23 financial year has been announced in 3 separate Grants

- The first wave of allocated funding announced is £346,304 to prioritise capital projects that improve energy efficiency
- The second announcement is £866,984 of capital funding for RNN prioritising condition improvement
- On 28th March the ESFA announced that the RNN Group had been allocated £4,432,281.33 of capital funding for the next 2 years. This is £1,040,362.17 for 23/24 and £3,391,919.16 for 2024/25.
- T Level allocation of £1,031,108 is to be spend by December 2023 for the purchase of specialist equipment to support T Level delivery in:
 - Business and administration £24,600
 - Construction and the built environment £677,008
 - Education and early years £59,040
 - Health and science £84,960
- This means that the group has quite a lot of spend to complete and this will be reviewed in line with the estates strategy to be discussed at the 20th June strategy review day.
- The group has currently placed bids at a total of £12 million for redevelopments works at Rotherham and North Notts colleges. These are broken down in to
 - Post 16 capacity fund - £4 million – notified and awaiting formal announcement from the ESFA
 - T Level capital fund for RC - £4 million – notification due summer 2023
 - T Level capital fund for NNC - £4 million – notification due 2023

Curriculum planning process has now been completed with each campus having key areas of delivery and USP's. Staff have looked at what will be moving between the campuses. Group is not risking anything for this September but ultimately the aim is to develop campus specialisms.

Accountability statement

Key matters highlighted were:

- Submission deadline is 31st May 2023
- FEC views have been taken on the draft document provided
- A thank you specifically to Carol Stansfield and Margaret Cobb for their feedback outside the meeting
- Also provided are the draft LSIPs which show the identified priorities
- This document builds in aims and objectives for the year. They are group specific whilst also looking to progress collaboration further

Question and challenge from one governor was that the sector is being asked to collaborate more but that the content of the accountability statement is all about RNN and they asked whether there was a disconnect. CEO expressed the view that there isn't and provided assurance that collaboration does take place in a number of areas and at different levels. Governors agreed that this document was very much a values led proposition and agreed that they liked and were encouraged by the content. One governor asked how the organisation and the board will monitor against the 9 objectives i.e. will they be integrated in to the strategic KPIs. CEO urged against this and expressed the view that it would lead to too many. His proposal was to separate out the monitoring of the 9 objectives and report separately on them so that there is a focus on accountability. It was agreed that the progress made against the objectives would be monitored in themselves and that, perhaps in future years, it would be possible to weave in to the strategic plan. CEO confirmed that he would provide an update as part of his CEO's report to each board meeting in 23/24 (CEO, standing item 2023/24).

AGREED: to approve the accountability statement as presented.

Strategic indicators / KPI's - 2022/23 update

Key matters highlighted were:

- Updates are provided on the five areas
- Two of these are reviewed by Finance and Resource committee as well, these are
 - a) Finances &
 - b) People and place
- There are some concerns regarding achieving the financial KPIs but assurance was given that these have been scrutinised by the finance and resources committee in detail

AGREED: to note the content of the update provided.

6 Audit and Risk

Committee Chair drew governors' attention to the summary report and also detailed minutes of the meeting which took place on 25th April 2023. He advised that there were a number of matters to flag for board consideration today, these are:

- Subcontracting self-assessment process and timeline
- The need to embed the 4risk management system throughout the organisation
- Proposals regarding a risk appetite workshop
- Proposals regarding an internal auditor appointment. This specifically requires board approval.

In relation to subcontracting, staff provided assurance that the organisation uses solicitors to draft contracts so as to ensure that they are fully compliant and, as a consequence, it is not envisaged that there will be any significant deficiencies when the self-assessment content is tested by auditors. An update on this is scheduled for the next Audit and Risk committee meeting. In relation to use of the 4risk system, the Executive Director Finance expressed the view that there was now a little more momentum in terms of getting information on to the system but that there is still more that needs to be done. In relation to the recommended appointment of new internal auditors, board were advised that the college was supported by a company called 2by2 which means that there is strong confidence regarding the robustness of the process completed.

AGREED:

- a) To note the content of the update provided
- b) To note the content of the minutes of the meeting held on 25th April 2023
- c) To approve the appointment of Validera (formally Haynes Watts) as internal auditors for a 3 year period commencing in 2023/24

7 Finance and Resources

Committee Chair drew governors' attention to the summary report and also the detailed minutes of the meeting held on 3rd May 2023. Key matters highlighted were:

- PWC audit – committee talked in detail about the clawback identified and the need to make sure that errors don't happen again.
- AEB – this is a standing agenda item for the committee where predicted performance is analysed
- Estates planning – committee discussed the next steps in relation to redesigning the strategy and this will form a substantive area of discussion at the June 2023 strategy day
- Budget and 3 year financial forecast was also considered. Committee has scheduled in an additional meeting to review this in more detail prior to further work being done internally

Executive Director Finance then highlighted a number of emerging issues which have become apparent since this meeting. He advised that there are a few events which have negatively impacted upon the EBITDA position, these are:

- £205k adult learner loans profile – this was initially confirmed by email from the ESFA however the ESFA have now stated that they will not fund it
- NFPC rates – company premises have been reclassified as a business rather than being owned by the college which therefore means that the group is no longer able to claim 80% charitable relief. This will have an impact going forward in terms of budgeting but also they are seeking to backdate by 6 years which would have a negative impact of circa £200k. Group is trying to secure professional advice on this and particularly challenging the proposal to backdate

Question and challenge from the board was whether or not there is anything that can be done with NFPC to try and address this. Executive Director Finance indicated that it may be possible to apply for charitable status. It was agreed that the Executive Director Finance would complete an exercise to assess options and then report back at the next meeting on the best approach (Executive Director Finance, June 2023 F&R).

In terms of these negative variances, a challenge from one governor was whether or not this is just 'bad luck' or alternatively whether there is anything the organisation could or should be doing differently. Executive Director Finance indicated that the organisation could complete an internal review across all sites.

- PWC audit clawback – this is £140k with ESFA and £104k with SYMCA
- Post 16 centre use - Local authority are suggesting that the group owes a further £200k in relation to potential PFI charges which should be agreed by partners. Staff are in negotiation in relation to this. Challenge from the board was that it should have been possible to better plan for this

Executive Director Finance indicated that he was in dialogue with the ESFA/DfE in terms of their support but that almost certainly the bank covenants will be breached. DfE have been asked whether the group can use the £1.1 million Kiveton sale proceeds as revenue rather than being ringfenced for capital within the accounts, albeit that this money will eventually be used for capital investment. He advised that the application process seems to be based upon the premise of 'going in to insolvency', however this is not the case for RNN, this means that the outcome of the application is not certain. He advised that this may also mean a risk in terms of financial health categorisation, with the group moving in to 'inadequate' or being at the very bottom of the 'requires improvement' scale. Board were advised that the 2023/24 income position shows a £1.6 million positive swing. This means that the group is facing a short term rather than a medium term issue. Board were advised that the impact could be EBITDA of zero for 2022/23.

One governor asked what a financial health categorisation of 'inadequate' would mean. Executive Director Finance indicated that it was highly likely the organisation would go back in to intervention but that, this time it would be for financial rather than governance reasons, with the group being in an intervention programme for one year until the position has improved. Challenge from the board was to be really clear that there is a plan in place to address the current position when having any discussions with the ESFA/DfE. It was noted that, should the organisation go in to intervention for financial reasons, then it may mean that the group is precluded from bidding, or specifically leading bids, in to certain pots of funding that are available or may become available.

AGREED: to note the content of the update provided.

8 Quality and Standards

Committee Chair drew Governors attention to the summary notes and also the detailed minutes of the meeting held on 10th May 2023. A number of items were specifically highlighted, including:

- Student feedback – four different groups on each campus have been interviewed, with learners being very open and honest in terms of their experiences and recommendations. It has identified a real difference between how learners look at their options post 16. There is a real difference in terms of motivation and, for all groups, it is believed that the group could stretch and challenge more. One of the surprises is that they all agreed that they were happier to travel more than the group thought they would, particularly between campuses and specialist facilities. In relation to CEIAG, opportunities for apprentices could be better communicated and there is a strong belief that the organisation could do more to get employers in and contributing. Deputy CEO confirmed that there is an action plan in place following this exercise and that staff are currently working through this
- Marketing and applications – a detailed report was considered
- Apprenticeship achievement – prediction is 55% which is better than last year but not where the group wants it to be
- In relation to attendance, there is still more work to do
- Mental health demands are increasing and capacity was particularly discussed by the committee

One governor observed that, in the student feedback report it says that they don't use social media when looking at options and they asked whether this is correct. It was explained that last year the group did not do as much social media as this year which may have influenced this comment. Key drivers for students were websites, promotions, taster days, open days and the prospectus.

Board were advised that the Head of Marketing is doing lots more work with focus groups to better understand and plan for this. Challenge from one governor was that LinkedIn could be used more for parents.

Observation from one governor was that the work in schools seems to be paying off and it was acknowledged that there are lots more events this year.

AGREED: to note the content of the update provided.

9 Matters considered by committees that require approval

The four aspects and accompanying reports were considered in detail and the board were happy to approve:

- a) The appointment of Validera as internal auditors
- b) The content of the new Financial Regulations as presented
- c) The terms of reference for the Structures and Savings Task and Finish Group as presented
- d) Subcontracting allocations for 2023/24 as presented

10 Governance

Director of Governance drew boards attention to her written report and indicated that there were two matters requiring approval, these are the appointment of Paul Lomas as a Director on the RES Limited Board and ratification of written resolutions. She confirmed

that there has been only one written resolution since the last meeting and this was the approval of the 21/22 yearend financial accounts.

AGREED:

- a) To appoint Paul Lomas as a Director on the RES Limited Board
- b) To approve the ratification of the written resolution agreed in relation to finalisation and signing of the 21/22 accounts

11 Committee Chairs report – Audit & Risk

Board were happy to note the content of the feedback report and meeting minutes dated 25th April 2023.

12 Committee Chairs report – Finance & Resources

Board were happy to note the content of the feedback report and also the detailed minutes of the meeting held on 3rd May 2023.

13 Committee Chairs report – Quality & Standards

Board were happy to note the content of the feedback report and also the detailed minutes of the meeting held on 10th May 2023.

14 Key Documents

Board were happy to note the documents which were reviewed in detail by committees, these include:

- Strategic risk register
- Estates report including FE estates planning (FEEP) compliance report
- March 2023 management accounts
- Safeguarding prevent and EDI report
- QIP

In relation to the safeguarding report, one governor referred to the attendance gap analysis and also retention issues for LAC and she asked for assurance that the college is taking steps to close the gaps. Staff advised that the position is influenced by small numbers/percentages and that, on many occasions when they reach the age of 18 they move out of the area which does impact upon retention. It was confirmed that this is something in particular discussed by the committee and that it is also something reviewed by the EDI internal group which does have link governor participation. It was explained that there is quite a lot of overlap between the LAC and safeguarding students. There are 10 LAC students in total and board was given assurance that more analysis is taking place.

AGREED: to note the content of the update provided.

15 AOB

There were no items of additional business.

15 Date and time of next meeting

This was confirmed as Monday 10th July 2023 at 5pm at the Rotherham Campus

16 Confidential items

Board were happy to:

- a) Approve the content of the confidential (commercial) minutes of the board meeting held on 27th March 2023
- b) Note the content of the confidential minutes of the Audit and Risk meeting held on 25th April 2023
- c) Note the content of the confidential minutes of the Structures and Savings Task and Finish Group meeting held on 25th April 2023
- d) Approve the content of the confidential (private) minutes of the board meeting held on 27th March 2023.

Meeting closed at 6.15pm

Signed _____ Chair

Date _____