

**EASTLEIGH COLLEGE BOARD
MINUTES OF MEETING HELD ON WEDNESDAY 15 DECEMBER 2021, 1700 HRS
USING 'TEAMS'**

Present:

Jon Sendell (Chair)
Natalie Wigman (Vice-Chair)
Paul Cox (Chief Executive & Principal)
Colin O'Donoghue
Sophie Annett
Phil Harris-Bridge
Karen Stanton
James Heaton-Smith
Alison Caplin
Ashley Barnes
Fiona Sitwell
Mairead Taylor
Bernie Topham

In Attendance:

Peter Joddrell, Deputy Principal (Curriculum and Digital)
Kevin Jones, Vice Principal (Finance, Funding and Management Information)
Paul Stannard, Vice Principal (Quality, Compliance and Improvement)
Dr Chris Davis OBE, (Clerk to the Board)
Fiona Chalk (Clerking service designate)

BOARD MEETING

B.35.21 GOVERNORS' MEETING TIME WITHOUT SMT

See confidential minute

B.36.21 MEMBERSHIP AND BOARD MATTERS

The Chair began by thanking Dr Chris Davis OBE for his fourteen years of loyal service to the College and Board. He said he would be missed but wished him every success in his future retirement.

He then welcomed the new Clerk, Fiona Chalk to her first meeting and hoped that she would enjoy the many challenges that lie ahead.

i Apologies

There were apologies from Kerry Matthews, Rupert Goodman, James Heaton Smith and new Student Governor Nicholas Hewett.

ii Declarations of Interests

There were no declarations of interest financial or otherwise in any item on the agenda.

iii Minutes of the meeting held on 29 September 2021

The minutes of the meeting held on 29 September 2021 were agreed and signed as a true and accurate record.

iv Matters arising

The minutes of the Board meeting held on the 29 September 2021 were reviewed and all the actions were either covered later in the agenda or had been completed.

v Further 12-month extension, Jonathan Sendell

After a unanimous vote (there being only one nomination) the Board agreed to another 12 months extension for Jon Sendell as Chair of the Board.

vi Further 4-year term of office – Mairead Taylor

After a unanimous vote the Board agreed to another 4-year term of office for Mairead Taylor.

vii Resignation of Governor – Jem Musselwhite

The Chair informed Governors of the resignation of Jem Musselwhite from the Board. He was still very keen to be involved with the College as a former student and his CV had been passed to the HR Manager. The Chair wished to convey his thanks to Jem Musselwhite for his hard work and support during his three years of service.

viii Appointment of new Student Governor – Cassidy Fieldsend

The Chair introduced Cassidy Fieldsend to the Board, informing Governors that she had been selected as one of the new Student Governors.

Cassidy said that she was delighted to be appointed and that it was an honour to represent the student voice on the Board.

Governors unanimously approved the appointment of Cassidy Fieldsend as a Student Governor.

ix Appointment of new Student Governor – Nicholas Hewett

The Chair informed governors that Nicholas Hewett had been selected as the other new Student Governor, unfortunately he was unavailable to attend this meeting of the Board.

Governors unanimously approved the appointment of Nicholas Hewett as a Student Governor.

x Board Terms of Reference

The Clerk said he only had one amendment to propose with regard to a reference about strategic leadership in clause 1. He proposed that a bullet point should be added:

- “provides overall strategic leadership for the College, formulates and agrees the mission and strategy, including defining the ethos of the College”.

This proposal was agreed by the Board.

The Chair proposed that the under clause 4 Attendance that when a member has failed to attend three consecutive meetings this should be changed to two.

This proposal was agreed by the Board.

The Board Terms of Reference were approved subject to the two amendments agreed previously.

ACTION: CD

Post meeting: The Clerk amended the Board's Terms of Reference as approved.

xi Governance SAR 2020.21

The Governance SAR 2020-2021 was approved by the Board.

xii Policy Delegation to Committees

The Clerk reported that a recommendation from the recent internal audit required a list of the delegated policies and strategies to be signed off and dated by the Board.

Governors reviewed the Policy Delegation to Committees document.

It was felt that the list of delegation to the Finance and General Purposes Committee was too long and needed revising.

The Chief Executive and Principal proposed that he look at the delegated list with the new Clerk to re-visit this list to see if it could be shared more evenly amongst the other committees. This proposal was supported the Chair and governors asked for this document to be revisited and brought back for further discussion.

ACTION: PC/FC

B.37.21 GOVERNORS' MONTHLY REPORT (October 2021)

i Financial aspects

Kevin Jones reported that the management accounts for September and October were very prudent and indicated a more confident position is expected as the year progresses.

Phil Harris-Bridge questioned last months' deficit forecast at -£600k, which was previously forecast the month before at -£410k; if this was projected through to the end of the year this could result in an enormous deficit. He asked in terms of prudence of the forecast was the deficit getting worse, has it stabilised or was it getting better.

Kevin Jones said that the recent Business case reduced the Adult Education Budget (AEB) clawback by £228k and that this would come into this year's accounts and therefore improves the position. He said there are more underlying positives to be included as the year progresses and with a concerted drive on savings and value for money it might be possible to make £100k in procurement savings which is the target the finance team are working to achieve.

ii Safeguarding and Prevent

Paul Stannard informed Governors that data previous years had been added so that comparison could be more clearly assessed.

He wished Governors to focus on the commentary regarding mental health; he said new events for January are planned with sessions involving the College's mental health first aiders being present.

iii Matters arising

Paul Cox informed Governors that it is likely that a 15th risk would be added to the Risk Register around societal changes and behaviours during a period of pandemic emergency. Further discussion followed about the counselling available in mental health at the College.

Paul Cox informed Governors that the College has 10 staff trained as mental health first-aiders providing a large cohort of support to both staff and students. This service is further supplemented by the College's HE Counselling learners who provide a service to all learners.

Governors noted the Governors Monthly Report for October 2021.

B.38.21 TO NOTE DRAFT COMMITTEE MINUTES

i Audit Committee draft minutes, 24 November 2021

Governors' noted the draft Audit Committee minutes for the meeting held on the 24 November 2021.

ii Finance and General Purposes Committee draft minutes, 10 November 2021

Governors' noted the draft Finance and General Purposes Committee minutes for the meeting held on the 10 November 2021.

iii Standards Committee draft minutes, 1 December 2021

Governors' noted the draft Standards Committee minutes for the meeting held on the 1 December 2021.

iv Eastleigh College Ltd draft minutes, 15 December 2021 (Verbal update)

The Clerk provided a verbal brief on the meeting of Eastleigh College held earlier in the afternoon.

There was nothing out of the ordinary to report.

Governors' noted the verbal update on the Eastleigh College Ltd meeting held on the 15 December 2021.

B.39.21 TO APPROVE, OPERATION AND TERMS OF REFERENCE OF COMMITTEES

i Finance and General Purposes Committee

Governors approved the Finance and General Purposes Committee Terms of Reference.

ii Remuneration Committee

Governors proposed an amendment to the Terms of Reference in reference to the monitoring of the Clerking/Governance Service under 2.3: "The committee will also be responsible for the monitoring of the Clerking/Governance Service provider, which would then be reported to the Board".

Governors agreed to this proposal.

Phil Harris-Bridge proposed that an additional bullet-point should be added under article 2.5 to read: "ensuring compliance with public sector guidance as issued from time to time".

Governors agreed to this proposal.

Governors approved the Remuneration Committee Terms of Reference subject to the agreed amendments.

iii Audit Committee

Phil Harris-Bridge proposed that an amendment be made to the article 1 of the Terms of Reference with the inclusion of a bullet point: "Review the operation of the Strategic Risk Management process".

Governors agreed to this proposal.

Governors approved the Audit Committee Terms of Reference subject to the agreed amendment.

iv Standards Committee (No Changes)

Governors approved the Standards Committee Terms of Reference.

v Search Committee (No Changes)

Governors approved the Search Committee Terms of Reference.

B.40.21 TO RECEIVE

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B.40.21 TO RECEIVE

i Sub-contracting Policy (To Note)

Peter Jodrell reported that the policy had been approved at the most recent meeting of the Finance and General Purposes on the 10 November 2021.

Sophie Annett that in undertaking her Link Governor role she had reviewed other colleges policies and had been greatly encouraged to find that Eastleigh College's policy had nothing missing and in most cases was a far stronger document.

Governors noted the Sub-contracting Policy.

ii In-Year Subcontractor Contracts and Amendments (To Note)

Peter Jodrell informed governors that this document had been reviewed and approved by the Finance and General Purposes at their meeting 10 November 2021. Paul Cox made Governors aware that at the most recent meeting of the Standards Committee the Committee had received a presentation from Travis Perkins with regards to the recently confirmed national Traineeship partnership, and that due to Travis Perkins delivering aspects of the Traineeship, they had to be recorded as a subcontractor to meet ESFA requirements. He reported that the Standards Committee were comfortable with the provision as planned.

Governors received the In-Year Subcontractor Contracts and Amendments.

iii FEC Diagnostic Analysis Visit update (verbal update)

Paul Cox said the update had been covered elsewhere in the meeting.

The Chair thanked all the Governors that took part in the visit and to all the staff involved. This had been a very useful process resulting in a good report and congratulations should go out to everyone involved.

A final version of the report will be sent out to all governors for review and consideration.

Governors received a verbal update on the FEC Diagnostic Analysis Visit.

iv Internal Audit Annual Report 2020-2021

Kevin Jones reported that the report has already been received by the Audit Committee on the 24 November 2021.

Sophie Annett asked for clarity over who had carried out the internal audit, she thought the College had changed its internal auditors.

Kevin Jones replied that this was correct; the report is for 2020 -2021 and during that time Southern Internal Audit Partnership carried out the internal audit work. From September 2021 TIAA had been engaged as internal auditors and have already undertaken their first audit visit as reported in the minutes of the Audit Committee meeting on the 24 November 2021.

Governors received the Internal Audit Annual Report 2020-2021.

v Health and Safety Annual Report 2020-2021

Kevin Jones said this was a 'To Note' item and asked if there were any questions.

There were no questions.

Governors received the Health and Safety Annual Report 2020-2021 .

B.41.21 TO APPROVE

i Audit Committee Annual Report 2020-2021

Mairead Taylor explained that the report was an annual requirement of the Joint Audit Code of Practise, covering a summary of the committee's activities for the year under review, including any significant issues arising and any significant matters of internal control included in reports received from auditors or other assurance provider.

She highlighted that Work Experience had been a priority focus of the committee and that the tremendous amount of work undertaken by Paul Stannard and Tracey McAdam had addressed and gone beyond the concerns raised.

To conclude she summarised the Audit Committee's opinion of the Overall assurance saying that it was their view that the College has an adequate and effective framework of control, which provides reasonable assurance that assets are safeguarded, transactions

authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Kevin Jones commented that the Audit Committee Annual Report provide a requirement for the external auditors in compiling their Financial Statements and appendices. The report includes appendices which form part of the external audit conclusions on the Eastleigh financial accounts.

Governors approved the Audit Committee Annual Report 2020-2021.

ii External Audit, Final Audit Findings Report

Kevin Jones made governors aware that there was nothing substantial in the report. There were three recommendations identified within the report which have all been dealt with and the actions completed. The feedback was that it had been a positive audit with no major problems.

Mairead Taylor confirmed that all the recommendations had been completed and that in the Audit Committee's discussions with the auditors it was communicated that the finance team were positive about the process.

There was a challenge concerning the reasoning for a £10k increase on fees from Macintyre Hudson.

Kevin Jones said that there had been some additional work involved, however this will be challenged on submission of the final invoice.

Governors approved the External Audit, Final Audit Findings Report.

iii Year-end Financial Statements 2020-2021

Kevin Jones said that the version coming to this meeting was version eight of the Financial Statements. He informed Governors that it has travelled through both the Audit and F&GP Committees.

He then focused on the headlines from the accounts:

Going Concern: No issues raised with going concern with the auditors - however, the Lloyds loan extension has not yet been confirmed, though it was expected imminently. The accounts reflect the full loan as a creditor due within 12 months as this was the contractual position as at 31 July 2021 (the same accounting conclusion as late year).

Better than budget by £119k net of FRS102 pension adjustments. Deficit of £655k compared to the budget position of £774k. Management accounts position is £98k better still if holiday pay adjustment is ignored, this is also non-cash and offsets a positive swing last year (when staff took mandatory leave during lockdown and had reduced leave days balances at 31 July 2020).

Turnover down from £23m to £19.9m. This movement reflects a significant year of change for the College with further changes in 2021/22 that will see budgeted turnover down to £16.8m as the College evolves to action the agreed strategic plan that seeks to manage the period of devolution (reduced ESFA (national) adult funding), apprenticeship reforms, and subcontracting reform.

Cash position is still strong at 31 July 2021, but is known to fall (as per July 2021 board paper) and this is being tracked and updated each month within the management accounts. The detailed cash forecasts are also tracked against loan covenants and actions planned to ensure any risks are carefully managed.

Changes identified from the Board version that need approval from Board:

In preparing notes to present to Board a couple of late edits were identified. Neither change the accounts materially but are needed to ensure accuracy across the paper. The two edits identified are listed below with changes highlighted in grey. These late edits have been shared with MacIntyre Hudson (External auditor) and they have confirmed (email 4:33pm on 13/12/2021) they agree these changes and that they have no further suggested edits from their final review.

Sophie Annett asked when the statements had to be signed off.

Kevin Jones said they had to be approved, signed off and with ESFA by the 31 December to ESFA.

Sophie Annett asked if the update would be shared with Governors.

Paul Cox said that the SMT would be working until the 23 December and that a message would be communicated with Governors.

ACTION: KJ

Sophie Annett said that she would need a caveat included before approval was given with evidence of confirmation of the loan extension from Lloyds Bank.

ACTION KJ

The Board approved the Year-end Financial Statements 2020-2021, subject to the caveat that there was confirmation of the loan extension from Lloyds Bank.

Post Meeting: *Kevin Jones received confirmation from Lloyds Bank of the outline terms for the new loan extension agreement with Lloyds Bank.*

In an email to (JS, PC, NW, SA, MT, CO'D) dated the 16 December 2021 he reported that it will need legal review before signing of the agreement which needs to be completed by the 31 March 2022 to complete that process.

He reiterated that the outline terms did now provide assurance that the loan extension can and will happen and therefore enables sign off of the final accounts.

His email also provided the headline information of the new loan extension.

He said he would also share the document with Stuart McKay at Macintyre Hudson (External auditors) to close off the issue in their report.

iv Financial Statements Representation Letter

Kevin Jones said the wording for this letter had been provided by MacIntyre Hudson and need now to go onto Eastleigh College headed paper before signing and sending with the signed accounts to MacIntyre Hudson.

Governors approved the Financial Statements Representation Letter.

v Regularity Representation Letter

Governors approved the Regularity Representation Letter.

vi College 2020-2021 Annual Report and College 2021-2022 Development Plan

Paul Stannard said that this was a new format for the College in how it is reporting self-assessment.

This was a draft version for Governors to review. The report aligns with the annual account schedules and the feedback from the FEC DA visit had been very positive.

There was an action on the Board to approve the final version, however there were some minor amendments to make in terms of language, but no changes materialistically.

Phil Harris-Bridge said he thought the report was very slick; his only observation was that he felt the content was very wordy and he felt that other potential readers might get bored.

Paul Stannard said that there is the potential to provide different edited versions of the document to depending on the end user.

He concluded by saying that the document will be finalised in the week leading up to the Christmas break. If Governors had any comments or required further clarification then he would make himself available on Teams or via email.

He proposed a deadline of 1700 on Tuesday 21 December 2021 pending any further feedback as final approval of the draft copy.

ACTION PS

Governors agreed to this proposal.

Governors approved the College 2020-2021 Annual Report and College 2021-2022 Development Plan subject to any further feedback received by the 21 December 2021.

B.42.21 TO CONSIDER

- i Confidential items** (confirmation)
Items **B.35.21**

B.43.21 Date of next meeting
Wednesday 26 January 2022