

**EASTLEIGH COLLEGE BOARD
MINUTES OF MEETING HELD ON WEDNESDAY 18 DECEMBER 2019, 1630hrs IN ROOM E007**

Present:

Jon Sendell (Chair)	Shirley Nellthorpe
John Course	Bernie Topham
Natalie Wigman	Gemma Baker
Steve Johnson	Jem Musselwhite
Dr Jan Edrich (Chief Executive and Principal)	
Mairead Taylor	

In Attendance:

Paul Cox, Vice-Principal Curriculum and Quality
Matt Phelps Vice-Principal Commercial
Ryan Sarll, Finance Controller
Dr Chris Davis OBE, Clerk to the Board

B.41.19 GOVERNORS' MEETING TIME WITHOUT SMT

B.42.19 MEMBERSHIP & BOARD MATTERS

The Chair made Governors aware of the very sad news that Mrs Jean Roberts a former Director of Teaching & Learning had passed away after a long illness. She had been instrumental in the College achieving the Ofsted 'Outstanding' grade in the Ofsted inspection which took place in 2011. He wished to pass on the sincere condolences of the Board to the family of Mrs Roberts.

Dr Edrich said she would be writing to the family of Mrs Roberts and would convey the Board's sympathies at this very sad time.

i Apologies

Apologies were received from Mrs Cross-Durrant, Mrs Hall and Councillor Grajewski.

ii Declarations of Interests

Dr Edrich, Paul Cox, Matt Phelps, Ryan Sarll and Dr Davis declared an interest regarding the annual pay review (B.4719,x). There were no other declarations of interest, financial or otherwise declared.

iii Minutes of the Last Meeting 18 September 2019

The minutes of the meeting held on 18 September 2019 were agreed and signed as a true and accurate record.

iv Matters Arising

Mr Johnson reported that under B.37.19, i, this was still an on-going action and that he was still in negotiation with Mr Sarll regarding how the financial variances are reported within the Governors Monthly reports.

There were no further matters arising associated with the minutes of the Board meeting on the 18 September 2019.

v Further Term of Office as Chair, Jon Sendell

The Clerk informed Governors that Mr Sendell had been given a further 12 months extension as a Governor and as Chair of the Board in December 2018 and it was now time to review this extension and approve a further extension of 12 months.

Mr Sendell confirmed that he was happy to continue as Chair of the Board for a further 12 months.

Governors unanimously agreed to Mr Sendell continuing as Chair of the Board for a further 12 months.

vi Appointment of new Student Governor, Miss Shannon Patterson

The Board were introduced to Miss Shannon Patterson as a new Student Governor.

Miss Patterson provided a verbal statement on her reasons for becoming a Governor, expressing her desire to improve the student experience, the challenges involved and the need for the student voice to be heard at Board level.

Governors unanimously approved the appointment of new Student Governor Shannon Patterson.

vii Retirement of Governor – Vice Chair of the Board, Mr John Course

The Chair formally reported that this was the final meeting for Mr Course having served on the Board for nine years. His loyal and outstanding service to the College was very much appreciated, especially his work as Chair of the Standards Committee which had made a considerable mark on the curriculum and quality aspects of the College.

Mr Course said it had been an honour to work as a Governor at the College, he would certainly miss the strategic work and providing support for the young people of the area. He wished the College all continued success in the future.

Governors thanked Mr Course for his work and wished him well for the future.

viii Appointment of new Vice Chair of the Board, Mrs Natalie Wigman

The Clerk reported that he had received one application for the position of Vice Chair of the Board, namely Mrs Natalie Wigman. This application had been proposed by Mr Musselwhite and seconded by Mrs Taylor.

Governors unanimously agreed that Mrs Wigman should be appointed as Vice Chair of the Board.

ix Appointment of new Chair of the Finance and General Purposes Committee, Mr Steve Johnson

Mr Sendell reported that at the most recent meeting of the Finance and General Purposes Committee Mr Johnson had been invited to attend. As a former member of the Committee and long standing Eastleigh College Governor with considerable financial acumen he had approached Mr Johnson about taking up the role of Chair of the Committee in light of the present financial position. Mr Johnson had agreed to this proposal but would consider his position when his tenure as a Governor expired in December 2020.

The Committee agreed to this proposal and recommended his appointment as Chair of the Finance and General Purposes Committee to the Board for approval.

The Board unanimously approved the appointment of Mr Steve Johnson as Chair of the Finance and General Purposes Committee.

B.43.19 GOVERNORS' MONTHLY REPORT – OCTOBER 2019

i Financial aspects

Mr Sarll reported that the Traineeships target of £2,444k has been reduced by £900k. As these are only delivered via the partnership network then the net effect of this reduction is £203k (£900 x 22.5%) and as traineeship funding is ring fenced then this cannot be utilised anywhere else within AEB.

He informed Governors that as a result of a staff restructuring that took place leading into this financial year a further saving of £350k was included in the budget figure of £12,151k. Further staff restructuring discussions are currently taking place however the effect of this is not yet reflected in the forecast.

ii Safeguarding update

Mr Cox reported that October had been a relatively standard month for safeguarding incidents.

He commented on Impero searches on internet activity continuing to be extremely useful at identifying activity of concern. Two learners had been identified after searching for the Samaritans, one of whom had made a suicide attempt without reporting the incident to the College. Emotional support has been subsequently offered to both.

Miss Nellthorpe made Governors' aware that she had been in close contact with Lorna Wagner and had witnessed first-hand the processes involved with CAHMS. She also reported that training was being introduced for twenty members of staff in Mental Health First Aid Training.

iii Matters arising

Dr Edrich asked if there were any questions regarding the monthly report.

No further matters were raised concerning the monthly report.

Governors noted the Financial aspects, Safeguarding update and matters arising from the Governors' Monthly Report, October 2019.

B.44.19 TO RECEIVE VERBAL REPORT ON THE MINUTES OF COMMITTEE MEETINGS

i Standards Committee Minutes, 13 November 2019

Mrs Wigman provided Governors with a verbal summary of the meeting of the Standards Committee on 13 November 2019.

The Committee covered the following agenda items:

- Governance SAR 2018/19
- Link Governor refresher session and Link Governor population
- Minimum Standards 2018/19 Final Report
- English and maths report, including the recent GCSE results
- Teaching, Learning and Assessment reports
- Partner Performance report
- 2018/19 Final Headline Outcomes
- Achievement rates of the College

Governors received the verbal report on the Standards Committee draft minutes of 13 November 2019.

ii Audit Committee Minutes, 27 November 2019

Miss Nellthorpe provided Governors with a verbal summary of the meeting of the Audit Committee on 27 November 2019.

She explained that the minutes reflected the Committee's decisions and actions relating to the following agenda items:

- Audit Committee Annual Report to the Board, strengthening of the final paragraph relating to overall assurance
- Internal Audit Annual Report, 2018/19
- External Audit Progress re 2018/19 closure and associated audit report
- Procedure for appointment of External and Internal Auditors 2020/21
- Review of Risk Management Board minutes on the 11 October 2019
- Risk Management Policy
- Self Assessment of compliance with regularity and propriety requirements
- The Bourneville Investigation Report and ESFA recommendations

Governors received the report on the Audit Committee draft minutes of 27 November 2019.

iii Finance and General Purposes Committee Minutes, 5 December 2019

Mr Sendell made Governors aware of the following agenda items discussed at this meeting:

- Financial Statements for 2018/19
- Financial Position 2018/19
- Mr Johnson joining the Committee
- Joint Venture Development
- Lloyds Bank Loan
- Tuition Fee Guidance and Fee Level Proposals
- College Banking and Insurance Arrangements
- Final Capital Spend
- Grievance Procedure for Senior Post-holders
- Environment & Sustainability Strategy Action Plan
- ESFA Financial Health Assessment letter and Finance Dashboard

Governors received the report on the F&GP Committee draft minutes of 5 December 2019.

iv Eastleigh College Ltd, 18 December 2019

The Clerk gave a verbal summary on the meeting that had taken place an hour earlier. He advised that the company's Directors had approved the Financial Statements.

Governors received a verbal summary of the meeting of Eastleigh College Ltd of 18 December 2019.

B.45.19

TO RECEIVE OPERATION & TERMS OF REFERENCE OF COMMITTEES

i

Audit Committee

No changes were made to the Terms of Reference of the Audit Committee.

It was agreed:

To approve the Audit Committee Operation and Terms of Reference.

ii

Finance and General Purpose Committee

Mr Sendell reported that the Committee had made two changes to the Terms of Reference:

- the Environmental & Sustainability Policy is to be reviewed annually rather than on a bi-annual basis.
- the word 'ensuring' in article 1.12 needed clarification and it was agreed that 'focusing' was a more suitable and accurate reflection of the Board's responsibilities.

It was agreed:

To approve the revised Finance & General Purposes Committee Operation and Terms of Reference.

iii

Standards Committee

Mrs Wigman reported that the Committee had made two changes to the Terms of Reference:

- Paragraph 1.8 needed further clarification and it was proposed that the wording should be changed to read, "The Chief Executive and Principal reports to the committee on matters affecting a significant change in policy and curriculum."
- There was a need to delete the referral to the College Charter in item 7, as the Charter had been replaced by various other mechanisms.
- The wording in item 2.1, 2.1.2 need strengthening to read "monitor and evaluate the capability of processes for learner progress".

It was agreed:

To approve the revised Standards Committee Operation and Terms of Reference.

B.46.19 TO RECEIVE

i Sub-Contracting Policy

Mr Phelps made Governors aware that the policy was a mandatory requirement that needed to be in place to participate in any sub-contracting activity.

He explained that the Policy had been reviewed and approved by the Finance and General Purposes Committee at their previous meeting on the 5 December 2019. He clarified that the Policy required approval and signature by the end of November and, therefore, the policy had been delegated to the Finance and General Purposes Committee for approval.

Further discussion followed-on, focusing on the fees for 2019/20, particularly the standard College management fee of 22.50%.

Governors received the Sub-Contracting Policy.

ii Financial Position 2018/19 update

This item had been covered elsewhere in the meeting.

B.47.19 TO APPROVE

i Audit Committee Annual Report

Miss Nellthorpe stated that the Report was a requirement of the Joint Audit Code of Practice, 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 providers.

The Financial statements audit and Management Report prepared by RSM UK Audit LLP, the financial statements auditor, summarises the findings arising during their audit of the College's financial statements for 2018/19.

She highlighted the significant findings in relation to deficiencies in internal control identified by the auditors:

- The size of the difference between the deficit in the July 2019 Monthly Governors Report and the final financial statements following the results of the final R14 ILR of the year, which came about for a number of different reasons.
- The control over the accounting journal process that occurred when the Finance Manager/ Finance Director structure was in place was not replicated initially when the Finance Manager became the Financial Controller.
- The accounts include a creditor balance of £84,500 in regards to AGE grants (from the previous apprenticeship regime) and the College is currently in the process of determining the correct action going forward.

The College's deficit for 2018/19 was £1,821k. This result compares to a surplus of £219k for 2017/18. The College's cash and short term investments amounted to £2.5m at the year end. This compares to £3.9m at the end of 2017/18.

She reported that this places the College in the 'inadequate' Financial Health Category under the ESFA scoring system.

The other thing that she wished to bring to the Board's attention was the final overall assurance statement which concludes with the following paragraph:

"The Audit Committee understands that there have been errors, which have amounted to a material change in the college's financial performance for 2018/19 meaning that the Financial Statement had to be amended. The Committee is satisfied that immediate actions have been taken designed to eradicate this happening in the future. The Audit Committee will in the future audit the monitoring of these prescribed actions by the SMT as a standing item at all future Committee meetings."

It was agreed:

To approve the Audit Committee Annual Report.

ii Internal Audit Annual Report 2018/19

Miss Nellthorpe drew Governors' attention to the audit opinion reporting that Eastleigh College's framework of governance, risk management and management control is 'substantial' and audit testing had demonstrated controls to be working in practice.

The three audit visits during 2018/19 in relation to the areas covered provided the following audit opinions:

- Visit 1:
 - Estates Management, 'Substantial assurance', no significant issues.
 - GDPR, 'Adequate assurance', no significant issues.
- Visit 2:
 - Fundamental Financial Accounting, 'Substantial assurance', no significant issues.
 - IT – Cyber Essentials, 'Adequate assurance', no significant issues.
 - Follow-up, some actions have been addressed and implemented, no significant issues.
- Visit 3:
 - Debtors and cash income, 'Adequate assurance', no significant issues.
 - Learner numbers systems, 'substantial assurance', no significant issues.
 - Apprenticeship documentation, 'limited assurance', significant issues relating to the evidence surrounding apprenticeship progress reviews and off the job training.

Mr Johnson was again concerned that the report almost read word for word from previous annual reports. He felt that there was little value in the report.

Miss Nellthorpe reported that the Committee had reviewed the full report at a previous meeting.

It was agreed that Mr Sarll would consult with the auditors to find a way of bringing this information to the Board in a more concise manner in the future.

ACTION: RS

It was agreed:

To approve the Internal Audit Annual Report 2018/19.

iii External Audit, Final Audit Findings Report

Mr Sarll reported that the External Audit, Final Audit Findings Report was an abbreviated version of the report and because of the issues already explained earlier in the meeting and is work still in progress.

Ms Baker felt that appendix B (Emerging Issues) was a really useful document and had been very useful.

It was agreed:

To approve the External Audit, Final Audit Findings Report.

iv Financial Statements 2018/19 update

This item was held over until the final Financial Statements have been finalised.

v Tuition fee Guidance and fee level proposals

Mr Sarll explained that the reason for this report was to seek approval for the basis on which tuition fees will be increased for 2020/21.

He outlined the College's current tuition fee levels in line with ESFA guidelines.

The latest CPI figures show an annual inflation rate of 2.0%, which is subject to volatility.

It was the College's aspiration to continue to maintain the subcontractor management fees at 22.5%.

He concluded by informing Governors that it was College's overarching strategy to maintain a significant footprint in the market and to maximise tuition fee income, it was therefore considered that a 3% general increase should be applied in 2020/21 and that this will not have a detrimental effect on student numbers.

It was agreed to:

To approve the Tuition fee Guidance and fee level proposals.

vi Probationary Period Procedure

Dr Edrich summarised the changes made to the procedure reporting that it had been agreed to delete the article, which refers to the termination of Senior Postholders. The procedure now applied to all staff and therefore did not differentiate between any members of staff.

There had been minor amendments to the mandatory training requirements of staff with regards to Prevent and the deletion of Child Protection.

It was agreed to:

To approve the Probationary Period Procedure.

vii College Self Assessment Report (SAR) 2018-2019

Mr Cox made Governors aware that this had been a comprehensive process with Governors involvement at various stages, including the final assessment panel. He informed Governors that the College SAR had been measured against the new inspection framework.

He confirmed that the College continues to be 'good', with the scale of good being stronger in most areas compared with the previous years report.

There were challenges still to be addressed especially in apprenticeships with the previous year seeing a decline on 2017/18.

He encouraged Governors to use the present SAR when approaching their Link Governor visits, especially focusing on the issues identified in the QIP.

It was agreed:

To approve the College SAR 2018-2019.

viii Link Governor 2019/20 proposed team allocations based on restructure

Mrs Wigman reminded Governors that the College had restructured and there was now a requirement for Link Governors to be assigned to one particular area manager, rather than dealing with in some case two or three. The proposed team allocation paper had been reviewed at the recent Standards Committee meeting and was a recommendation to the Board at trying to accommodate this request.

Discussion followed and it highlighted the fact that some areas don't have a Governor allocated because of a shortage of external Governors.

Mrs Wigman said she would take on Foundation and Brickwork area as well as Catering, Events and Travel.

Ms Baker agreed to take on Adult Community Learning alongside her involvement with English and ESOL.

Mr Musselwhite said he would take on Professional Studies, Sport, UPS and Built Environment as well as Careers and Work Experience.

It was agreed:

To approve the Link Governor 2019/20 proposed team allocations based on restructure.

ix Risks related to Governance on the Risk Register

Miss Nellthorpe reported that it was a responsibility of the Audit Committee to review the Governance section of the Risk register every 6 months, which they had carried out at their last Committee meeting. After a robust review, there were no alterations required at this time.

It was agreed:

To approve the Risks related to Governance on the Risk Register.

(Confidential Item)

x Annual Pay Review *(All staff left the meeting except for the Chief Executive and Principal and Clerk)*

(See Confidential addendum).

(End of Confidential item)

B.48.19 NEXT MEETING

Wednesday 29 January 2020, 1700

Governors' Monthly Report – financial aspects, safeguarding and matters arising

Approve year-end financial statements 2018-19

Bank Loans update

Register of Interests

There being no further business, the meeting finished at 1845.