

# RICHMOND & HILLCROFT ADULT & COMMUNITY COLLEGE

## MINUTES

of the meeting of the Board of Richmond and Hillcroft Adult and Community College held at 6.00pm  
Wednesday 18 July 2018 in Ashby, Hillcroft, Surbiton

Present: Ms Louise Fluker, Chair  
Mr Mark Albrow, Lead Governor for Safeguarding/Prevent and Learner Involvement  
Mr Richard Brewster, Audit Committee Chair  
Ms Gabrielle Flint, Principal  
Ms Theresa Hoenig  
Prof. Linda Jones, Co-Vice Chair  
Ms Jane O'Shea, Co-Vice Chair  
Ms Farah Rachlin  
Ms Lisa Sharp  
Mr Graham Tharp  
Mr Nigel Ware, Finance & Resources Committee Chair

In attendance: Mr Neil Wallbank, Director of Finance & Resources  
Ms Sara George, Interim Clerk

The meeting remained quorate throughout.

### 1. **APOLOGIES FOR ABSENCE**

Ms Helen Darracott, Mr Andrew George and Mr Daniel Kemp apologised for their absence.  
Ms Gaynor Bray, Vice Principal for Teaching & Learning also apologised for her absence.

### 2. **MINUTES OF THE MEETING OF THE BOARD**

The minutes of the meeting of the Board held on 24 May were approved as an accurate record.

Two sections within the minutes were identified as confidential for redaction prior to publication. Interim Clerk

### 3. **MATTERS ARISING**

#### **Complaints Policy and Procedure**

The Principal informed the Board that following the departure of the Vice Principal for Learner Experience there will be a review of learner involvement systems, and the complaints policy and procedures in particular. Training on the investigation techniques used for complaints, disciplinary and fitness to study cases will be provided to managers at the beginning of term. A revised Complaints Policy will be brought to Board for approval on 27 September.

Principal

### 4. **MINUTES OF THE STANDING COMMITTEES**

#### **Audit Committee (18 June 2018)**

**External Audit Strategy:** The Director of Finance & Resources was asked to check the accuracy of the statement, "It was also noted that as Hillcroft is a limited company, the use of merger accounting is not permitted. Acquisition accounting will require the fair value of assets and liabilities of RACC to be brought into the financial statements of 17/18".

Dir. of Finance

***The Board noted the minutes of the standing committees.***

### 5. **DECLARATIONS OF INTEREST**

Mr Nigel Ware and Ms Farah Rachlin declared an interest in item 7eii, Subcontracting volume proposal 2018/19, as trustees of Citizen's Advice Richmond.

### 6. **PRINCIPAL'S REPORT – JULY 2018**

The Principal presented her report for July 2018, noting the pleasing end of year position. She reported that two areas of focus for 2018/19 will be learner involvement and teaching quality.

In answer to a question about the reduction in the percentage of residential learners at Surbiton, the Principal reported that the decline is small. Some learners booked as

residential and then did not use the accommodation as they were either unable to do so, or did not wish to do so due its quality. Improvements to facilities have been made and it is expected that the slight decline will reverse. It was noted that the ESFA are yet to make a decision on residential uplift funding and whether it should apply to all learners on residential courses. It may be that decisions on this matter are now connected to devolution matters and so will be part of a different timetable. The matter is currently with the ESFA policy team, but contacts at the ESFA have been unable to disclose who is leading on the matter.

The balance between spending to improve facilities in the short term when a rebuild is planned in the medium term was discussed. The Principal reported that routine maintenance and the refurbishment of some bedrooms in the main house is being undertaken over the summer period.

The decrease in the number of BAME learners was questioned. The Principal responded that management are investigating the change in learner profile and believe that it is connected to a change in subcontracting arrangements. Investigation outcomes will be reported to the Equality & Diversity Monitoring Group.

Principal

The Board noted the changes to the responsibilities of the executive team following the departure of the Vice Principal for Learner Experience. Concern was expressed that the additional duties would overburden the Vice Principal for Teaching and Learning. The Principal replied that the role was achievable as responsibility for MIS and IT had passed to the Director of Finance. Additional capacity would be provided through new management posts within the curriculum structure (a Merton-focused LLDD Programme Manager, a Humanities Programme Manager and a consultant advanced practitioner who will be used for observations and staff training). It was reported that two current Heads of School will be moving to new roles within the organisation and recruitment was underway to replace the incumbents.

The Principal said, in answer to a question the quality audit, that the Vice Principal for Teaching and Learning, and each Head of School and Programme Manager will be responsible for implementing the recommendations of the teaching and learning quality audit for their particular areas. Monitoring will be undertaken by the Quality & Standards Committee. Since the audit report was received, academic managers have conducted an audit of individual learner plans and RARPA reports to identify areas of weakness. A programme of training is being planned, with the Advanced Practitioner to start in September. The audit outcomes were raised at the end of term all staff meeting, and further communication will take place via the Course Team Meetings at the beginning of the academic year. The staff governor added that the audit of individual learning plans and Recognising & Recording Progress & Achievement (in non-accredited learning) (RARPA) reports had also been useful for checking that policies and standard processes were in place. Lesson observations will be used to monitor the implementation of the audit findings. The Principal stated that if any poor teaching that has been identified does not improve as required, capability proceedings will be instigated. This will involve training and support as appropriate. The Business School at Parkshot, and Hillcroft were areas that have been identified for particular focus. She noted that management had already identified these issues and had asked the auditors to pay particular attention to teaching in those areas to provide a realistic picture of the College in preparation for the upcoming Ofsted inspection.

A governor asked about staff morale at Hillcroft after the departure of the Vice Principal for Learner Experience. The Principal replied that the Vice Principal had informed her teams herself prior to leaving and that staff meetings held with new line managers had been constructive and helpful. Staff appeared to have taken the matter well and for most there was no change in line manager involved. The staff governor added that Hillcroft had seen a lot of change over the previous few years but morale had not been affected by the Vice Principal's departure. The Principal added that the staff survey results will provide a picture of overall morale.

***The Board noted the Principal's Report for July 2018.***

## 7. **FINANCIAL & RESOURCES MATTERS**

### **Management Accounts – May 2018**

The Director of Finance & Resources presented the Management Accounts for May 2018, which had been scrutinised by the Finance & Resources Committee during its meeting on 26 June. He noted that the Accounts had been formulated prior to the departure of the Vice Principal for Learner Experience through voluntary redundancy (the cost of which is statutory amount plus six months' notice), and therefore actual restructuring costs will be higher than in the May accounts and will impact the outturn column by approximately £50k.

In answer to a question regarding whether the College would meet its ESFA allocation, the Director of Finance & Resources informed the Board that since merger RHACC has struggled to get the ESFA to recognise a merged Individual Learner Record (ILR) and contract. This has meant that at census points it appeared that the College had not used the £300k AEB procured contract awarded by the ESFA in August 2017. As a result, the ESFA has indicated that the contract will be reduced by £120k. This decision is being challenged as the contract issue has been beyond the College's control. The Director of Finance & Resources reported that he is confident that 100% of the main allocation will be achieved without the need to claim residential uplift for learners who are not resident. The College is aiming to achieve 103% of the allocation as in the previous two years the ESFA has funded over delivery up to this amount.

The Director of Finance & Resources informed the Board that in May, when the ESFA consolidated the two AEB contracts, it did not pay the previous RACC monthly funding element. However, in June the College received payment of RACC's full annual allocation of around £2.2m. As yet the ESFA have not sought to reclaim this overpayment.

A governor asked whether the College should monitor teaching staff versus support staff costs as a financial KPI. The Director of Finance & Resources said that once the budget had been finalised this could be monitored and included within the Management Accounts. It was noted that the previous FE Commissioner set a target ratio of around 60/40 but this is no longer recognised as a formal KPI.

***The Board noted the Management Accounts for May 2018 and agreed that the ratio of teaching staff to support staff should be included in the Management Accounts after the budget had been finalised.***

Dir. of  
Finance

### **Budget 2018/19**

The Director of Finance & Resources informed the Board that the budget for 2018/19 (recommended by the Finance & Resources Committee after its meeting on 26 June) was based on the financial objectives listed within the Strategic Plan, and that achievement of the budget, although challenging, would result in a financial health grade of outstanding. Although the 1% pay increase for staff has impacted staffing costs, the College is still forecast to make a bottom line surplus of £40k.

A governor asked how the increase in the lettings budget would be achieved. The Principal replied that the Annex co-working development would be operational in January 2019.

***The Board approved the budget for 2018/19.***

### **Two-year financial forecast**

The Director of Finance & Resources presented the two-year financial forecast and commentary that will be submitted to the ESFA, which was prepared taking into account the checklist contained within the ESFA College Financial Planning Handbook 2018. It was noted that Hillcroft (as the continuing college) is still subject to a financial notice of concern. The projected results and the forecast will assist in removal of the notice.

A governor expressed concern that revenue is forecast to decrease in 2019/20. The Director of Finance & Resources explained that this was due to the relocation and therefore loss of income from the Deer Park School. To mitigate the loss the College will be looking to win other contracts, such as the recently procured Merton Council tender, focusing on the College's core educational business.

In answer to a question about the potential of offering apprenticeships, the Principal reported that the College had recently lost its small contract in this area. The focus of the

College will be to get learners ready to undertake apprenticeships by offering part-time or intensive residential retraining courses.

A governor asked why the Hillcroft redevelopment was missing from the budget and the two year forecast. The Director of Finance & Resources responded that this was due to the GLAs timetable, as funds are not likely to become available to successful bidders until the end of 2019/20. It was also noted that the Board has not agreed to proceed with the project and therefore inclusion would be speculative. It was agreed that the redevelopment should not be included within the forecast figures but should be mentioned in the commentary.

Dir. of  
Finance

***The Board approved the two-year financial forecast and commentary and authorised the Director of Finance & Resources to submit them to the ESFA.***

Dir. of  
Finance

#### **Financial Regulations 2018/19**

The Director of Finance & Resources presented the Financial Regulations for 2018/19, which were recommended by the Finance & Resources Committee. It was noted that they had been updated to include authorisation details for online banking.

***The Board approved the Financial Regulations 2018/19 subject to the removal of references to the Vice Principal for Learner Experience.***

Interim Clerk

#### **Investment Strategy 2018/19**

The Director of Finance & Resources presented the Investment Strategy for 2018/19, which was recommended by the Finance & Resources Committee. A governor asked how the Board could be assured that the College was endeavouring to maximise interest. The Director of Finance & Resources replied that the College's funds were spread between various accounts in different banks, and whilst funds could be locked into high interest accounts, this had not been done previously.

***The Board approved the Investment Strategy for 2018/19.***

#### **Subcontracting Strategy 2018/19**

The Director of Finance & Resources presented the Subcontracting Strategy for 2018/19, which was recommended by the Finance & Resources Committee. A governor questioned why the College would enter into a contract with a subcontractor that was deemed to be high risk. The Principal replied that this would depend on the offer; if the subcontractor was trying to create routes into education for a key learner group then it would be worth management providing additional support and monitoring to help that learner group achieve its objectives. In other normal circumstances RHACC would not enter into a contract with a high risk provider.

***The Board approved the Subcontracting Strategy for 2018/19.***

#### **Subcontracting volumes proposal 2018/19**

The Director of Finance & Resources presented the Subcontracting volumes proposal for 2018/19, which was recommended by the Finance & Resources Committee. It was emphasised that learners on ACL provision provided by the small community and voluntary organisations are RHACC learners and have access to all of the support, processes and procedures available to non-subcontracted learners.

***The Board approved the Subcontracting volumes proposal for 2018/19 up to £330,000 in total***

#### **HR Strategy 2018 – 2021**

The Principal presented the HR Strategy for 2018-21 which had been scrutinised and recommended by the Finance & Resources Committee.

In answer to a question relating to clause 4.3 Performance Management and how the College would deal with a staff member suffering from depression, the Principal responded that RHACC does employ staff with mental health issues. The College talks to all staff when they are off work due to illness; they are kept up to date and are supported to return to work when they are well. This support can include a change of work pattern, a temporary

redeployment or a referral to Occupational Health. Communication around the needs of both the staff member and the college is key.

A governor noted that safeguarding and Prevent matters were not included in the training aspects of the Strategy, and it was agreed that these areas should be included. Principal

***The Board approved the HR Strategy subject to the inclusion of sections on safeguarding and Prevent.***

#### 8. **AUDIT MATTERS**

##### **Risk Register and Action Plan and Heat Map**

The Chair of the Audit Committee presented the Risk Register and Action Plan and accompanying Heat Map, noting that four risks had moved to a lesser risk score. The Director of Finance & Resources highlighted that Risk 13: *Failure to implement systems and processes to monitor and comply with GDPR May 2018* had lessened in risk score as the College has undertaken the ICO GDPR readiness self-assessment with green and amber results (scrutinised by the Audit Committee at its 18 June meeting). All key issues were addressed by the GDPR implementation date and all outstanding work will be completed by the end of the year. A post implementation review of GDPR work will be conducted as part of the internal audit programme in 2018/19.

A governor queried the relatively low risk score of Risk 2: *Loss of key staff*. Although the importance of teachers with loyal followers was noted, governors felt that the loss of a member of the Executive would have a greater impact and therefore the score should be 3 x 2 (medium). It was agreed that the definition of loss of key staff should be split into loss of key teaching staff and loss of executive staff. Dir. of Finance

In relation to Risk 10: *Failure to manage health and safety, and safeguarding risks and address learner feedback*, a governor queried clause 3.39: Violence and abuse at work within the Health and Safety Policy which he felt envisages violence and abuse taking place. The Principal responded that staff have not indicated that they feel unsafe, regular risk assessments take place and it is not possible to remove the risk entirely. Risk assessments are completed and these particular risks are mitigated where possible. Guidance is provided to staff regarding situations where they may feel at risk.

***The Board noted the Risk Register and Action Plan and the accompanying Heat Map.***

##### **Buzzacott terms of engagement letter / Teachers' Pension Scheme (TPS) engagement letter**

The Director of Finance & Resources informed the Board that the Audit Committee at its meeting on 18 June had scrutinised the letters of engagement, the external audit strategy and fee quotation. The TPS engagement letter has become more prescriptive due to changes in audit guidance and therefore Buzzacott's fee for the TPS audit has increased.

A governor queried the wording in clause 14.1.4: "*The College Corporation and the ESFA agree that they will not bring any claims or proceedings against any individual partners, members, directors or employees of the reporting accountant*" as the ESFA is not a signatory of the letter. The Director of Finance & Resources reported that the wording is produced by the ESFA and is standard to all accounting firms.

The Board noted that due to maternity leave the College will have a different Buzzacott audit partner for 2017/18.

***The Board approved the Buzzacott terms of engagement letter and the TPS engagement letter and authorised the Chair to sign both.*** Chair

##### **Risk Management Strategy**

The Director of Finance & Resources presented the Risk Management Strategy which proposed a change to a bi-annual review. It was agreed, after discussion, that the review should continue to be conducted on an annual basis as the College's appetite for risk may change in a review period greater than one year.

***The Board approved the Risk Management Strategy for 2018/19, subject to the review period reverting to one year.*** Dir. of Finance

### **Internal Audit Strategy**

The Director of Finance & Resources presented the Internal Audit Strategy for 2018/19, which had been debated by the Audit Committee at its 18 June meeting. The Audit Chair commented that the Committee is still learning about how to best use the current internal audit freedoms, but had gained greater assurance from using subject specialist consultants. The Audit Committee proposes to continue to use subject specialists to audit areas of perceived highest risk, other than Key Financial Controls and Learner Number Systems audits, which will continue to be conducted by RSM.

***The Board approved the Internal Audit Strategy for 2018/19.***

### 9. **TEACHING & LEARNING MATTERS**

#### **Teaching and Learning Quality Report**

The Principal presented the Teaching and Learning Quality Report, noting that in 2017/18 non-qualification provision performed better than qualification courses in terms of retention and predicted achievement. Improvement work will address this in 2018/19.

In answer to a question regarding the new Merton Council contract, the Principal informed the Board that RHACC is already providing some LLDD provision for Merton. The larger £160k contract commences in September 2018 with 10 courses. An enrolment day was well attended and learners are currently being interviewed. Three Council staff members have transferred to RHACC with TUPE rights, and have met with curriculum managers and HR. Merton is keen for its target learners to remain on the offered provision and is happy for them to be directed to RHACC courses as progression. Access to parents and carers as potential learners is an additional benefit; a risk is the potential additional resource required for RHACC to produce Merton's ILR return, however this was costed into the contract.

***The Board noted the Teaching and Learning Quality Report.***

### 10. **ESTATES MATTERS**

#### **Annex redevelopment**

The Principal gave a verbal update on the Annex redevelopment. The tender specifications are being finalised and will be issued on Friday 27 July.

In answer to a question concerning anticipated demand, the Principal responded that the Annex already contains Richmond MIND and another small company, which wishes to remain in the building whilst it is being refurbished. Rents will be benchmarked to other local co-working businesses. A recent Richmond Council business survey indicated that the biggest barrier to business growth was the lack of affordable space. A further survey solely regarding business space is due to be sent to the respondents and also to Richmond Chamber of Commerce members. Prices will depend on the size of space businesses require.

#### **Hillcroft redevelopment**

The Principal gave a verbal update on the Hillcroft site redevelopment, informing the Board that a GLA Project Officer visited the Surbiton site on 18 June and fed back that the feasibility study submitted had been one of the best that the GLA had received. It is hoped that this positive feedback means that RHACC will be in a good position to make a bid once the GLA prospectus is published. Staff have been informed at the July all staff meeting that the Board is looking at options for the site and that the current proposal is to remain in Surbiton and redevelop the site. A further meeting for Hillcroft-based staff will be held in September to discuss the feasibility study. Working groups looking at decant requirements and learner needs will then be created. In answer to a question about staff responses, the Principal replied that the issue has not been raised by staff during line management meetings or directly with the Executive. An exhibition of the plans will be created on campus once staff and learners have been informed.

***The Board noted the verbal updates on estates matters.***

11. **RECOMMENDATIONS FROM THE SEARCH & GOVERNANCE COMMITTEE**

**Recruitment to the role of the Clerk**

After discussion, in particular about the support to be provided, the Board agreed to appoint Mr Neil Wallbank as the RHACC Clerk. The Director of Finance & Resources & Resource's job description will be revised to include the responsibilities of the Clerk and will be presented to the Search & Governance Committee for approval in the autumn term together with details of the support to be provided to the Clerk.

Principal

***The Board appointed Mr Neil Wallbank as Clerk.***

**Resolution to prohibit staff governor membership of the Audit Committee**

The Interim Clerk informed the Board that the Post-16 Audit Code of Practice (March 2018) clarifies that staff governors should not serve on the Audit Committee. The Search & Governance Committee recommended to the Board that the Audit Committee terms of reference be amended to prohibit staff governors from serving and this was agreed.

Interim Clerk

***The Board resolved to amend the Audit Committee terms of reference to prohibit staff governors serving on it.***

**Changes to the charity trustee automatic disqualification rules**

The Interim Clerk informed the Board that the Charity Commission had recently amended the charity trustee automatic disqualification rules. All RHACC Governors have signed the Charity Commission's revised declaration of eligibility to confirm that they will be not become disqualified by the changes when they take effect on 1 August, and therefore waivers do not need to be applied for.

***The Board approved the addition of the new disqualification clauses into the annual declaration of eligibility.***

Interim Clerk

**Board and Committee Structure 2018/19**

The Search & Governance Committee recommended to the Board that Committee membership for 2018/19 remained the same as 2017/18 due to the importance of continuity of knowledge. It was also recommended that Committee terms of office be extended to a minimum of two years for the same reason and this was agreed. A minimum, rather than maximum length of service will allow for rotation and knowledge retention.

It was noted that upcoming capital development projects will require the formation of a Capital Projects Steering Group early in the 2018/19 academic year, and this will result in some governors serving on more than one Committee. Terms of reference for this Group will be scrutinised by the Search & Governance Committee in September, prior to formation and Board approval.

Interim Clerk

A governor questioned whether a student governor would be best placed serving on the Audit Committee due to the skills set that they bring to the Board. It was agreed that decisions regarding suitability for Committee service would depend on the individual and that the Board should not preclude any standing committee prior to appointment.

***The Board approved the committee membership for 2018/19, extending the minimum length of service to two years.***

**Board recruitment 2018/19**

The Interim Clerk reminded the Board that due to the resignations of Mr Hardcastle-Jones and Mr Kemp, two governor vacancies (one independent and one student) require filling.

***The Board agreed:***

- ***To replace Mr Hardcastle-Jones with an independent governor with estates/construction/property experience as soon as possible;***
- ***To co-opt a person with property experience to the Capital Projects Steering Group;***
- ***To replace the student governor as soon as possible, with Board ratification of the appointment made by written resolution to expedite the process;***

- ***To remove the requirement for student applicants to be nominated by two peers.***

#### **Governance Self-Assessment 2017/18**

The Search & Governance Committee recommended to the Board that the self-assessment process for 2017/18 should consist of the completion of a questionnaire which asks governors to reflect on the performance of the Board, identifying strengths and areas for development, citing examples for the judgements made. Completion of the questionnaire will be followed by a one-to-one meeting or telephone call with the Chair. Each Committee will be asked to review its performance during 2017/18 at its first meeting of the new academic year, after which the Committee Chair will provide a brief written report for the Board to review at its December meeting. To assist with reflection, the Principal has provided a document evaluating the benefits of merger, which will be available, along with other useful information sources, on the governor's area of Moodle.

Interim Clerk

Governors were asked to send the Chair details of when they are available to either meet or speak on the telephone.

Governors

***The Board approved the self-assessment process for 2017/18, including the questionnaire.***

#### **Corporate Social Responsibility**

The Search & Governance Committee recommended the draft Corporate Social Responsibility statement, which was created in response to clause 1.5 of the AoC's Code of Good Governance for English Colleges which states, "As a contribution to its mission and public good, the board should consider its approach to, and have oversight of, its corporate social responsibility". It was noted that the College would be judged on what was done and therefore the statement would need to be supported by an Action Plan.

It was agreed that the paragraph regarding responsibility to the environment should be amended to state, "...requires RHACC to minimise as much as possible our **negative** impact on the environment".

***The Board approved the Corporate Social Responsibility Statement and agreed to the creation of an associated Action Plan.***

Interim Clerk

#### **Programme of meetings 2018/19 and 2019/20**

***The Board approved the programme of meetings for 2018/19 and 2019/20.***

### **12. ANY OTHER BUSINESS**

#### **Thank you to staff**

The Board asked that their thanks be passed to staff for all of their hard work in the 2017/18 academic year.

Principal

The meeting closed at 8.30pm