

**RICHMOND AND HILLCROFT ADULT AND COMMUNITY COLLEGE**

**MINUTES**

of the meeting of the Board of  
Richmond and Hillcroft Adult and Community College  
held at 3.00 pm on Thursday 16 July 2020 onsite Parkshot and via Microsoft Teams.

Present: Ms Louise Fluker, Chair (onsite)  
Mr Mark Albrow (onsite)  
Mr Richard Brewster (virtual)  
Ms Kate Clarke (onsite)  
Ms Helen Darracott (virtual)  
Ms Nasrin Farahani, Student Governor (onsite)  
Ms Gabrielle Flint, Principal (onsite)  
Prof. Andrew George (onsite)  
Mr David Izett (onsite)  
Ms Jane O'Shea, Vice Chair (onsite)  
Ms Farah Rachlin (virtual)  
Ms Sharon Raj (onsite)  
Mr Graham Tharp, Staff Governor (virtual)  
Mr Nigel Ware (onsite)

In attendance: Ms Gaynor Bray, Vice Principal, Teaching & Learning (VP, T&L) (onsite)  
Mr Neil Wallbank, Director of Finance & Resources and Clerk (DoF&R) (virtual)  
Ms Sara George, Minute Taker (onsite)

The meeting remained quorate throughout.

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|    | <b><u>WELCOME</u></b><br>The Chair welcomed Ms Sharon Raj to the Board and introductions were made.   |           |
| 1. | <b><u>APOLOGIES FOR ABSENCE</u></b><br>There were no apologies for absence.   |           |
| 2. | <b><u>MINUTES OF THE MEETING OF THE BOARD HELD ON 21 MAY 2020</u></b><br><i>The minutes of the Board meeting held on 21 May 2020 were agreed to be an accurate record and approved.</i><br><br>The Board approved the redaction of the highlighted areas, and in addition requested the redaction of the entirety of item 9b.   | Clerk     |
| 3. | <b><u>MATTERS ARISING</u></b><br>There were no matters arising that were not covered on the agenda.   |           |
| 4. | <b><u>DECLARATIONS OF INTEREST</u></b><br>There were no declarations of interest.   |           |
| 5. | <b><u>MINUTES AND RECOMMENDATIONS OF STANDING COMMITTEES</u></b><br><br><b>Finance &amp; Resources Committee (20 May 2020)</b><br>Ms Rachlin asked whether the increase in staff sickness referenced in item 9b was Covid related. The Principal responded that there has been an increase in staff self-isolating; she agreed to check whether the increase was due to staff contracting Covid.<br><br><i>The Board noted the Finance &amp; Resources Committee minutes of 20 May 2020</i> | Principal |

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|           | <p><b>Finance &amp; Resources Committee (1 July 2020)</b><br/> In answer to Ms Rachlin’s question regarding how the 15% discount for online courses was calculated (item 3) the Principal informed the Board that management had benchmarked the discount against other IALs. WEA have placed all of their provision online and have made it free. City Lit and Morley are offering a 20% discount for online courses starting in September. RHACC will not discount qualification courses offered online in the new academic year as the costs incurred are the same as for face to face tuition.</p> <p><b><i>The Board noted the Finance &amp; Resources Committee minutes of 1 July 2020</i></b></p> <p><b>Audit Committee (17 June 2020)</b><br/> Ms Rachlin asked whether the financial auditors have commented on the impact of Covid-19. Mr Brewster (Audit Committee Chair) replied that the auditors will, for all sectors, be placing more emphasis on going concern as a result of the pandemic. RHACCs auditors accepted that due to the College’s current cash balance, going concern was not an issue at the present time. The Director of Finance &amp; Resources added that the auditors have flagged the general uncertainty in the sector and wider economy and noted that they may provide challenge regarding going concern status more stringently going forward.</p> <p><b><i>The Board noted the Audit Committee minutes of 17 June 2020</i></b></p> <p><b><i>The Board noted the Search &amp; Governance Committee minutes of 17 June 2020</i></b></p> <p><b><i>The Board noted the Quality &amp; Standards Committee minutes of 24 June 2020.</i></b></p>  |  |
| <p>6.</p> | <p><b><u>PRINCIPAL’S REPORT</u></b><br/> <b>Principal’s Report - July 2020</b><br/> The Principal presented her report for July 2020, stating that it had been a challenging but successful year with positive Ofsted and Matrix inspections and significant progress made in RHACC’s digital learning capabilities. These achievements were due to the hard work and commitment of staff.</p> <p>Plans for the new academic year are in progress with the majority of provision having a significant proportion of online delivery in order to enable social distancing and covid safety measures on site.</p> <p>A deficit budget has been proposed for 2020/21 in order to retain staff with the required expertise in adult learning and the capacity to develop new provision in areas stimulated by covid.</p> <p>The situation will be closely monitored and reviewed at half term.</p> <p>In answer to a question from Mr Albrow about staff willingness to teach online, the Principal responded that only one language tutor has declined to teach online, reporting that it was difficult to hear accents appropriately. Dialogue with the tutor is ongoing. The Principal added that she had been impressed with the commitment of the teaching staff and there have been many online learning successes, such as cookery. Mr Albrow commented that in the learner forums he had attended learners had been very positive about online language and cookery classes.</p> <p>[Redacted]</p> <p>Ms Rachlin asked when the 90 RHACC staff currently furloughed were likely to be recalled, how they would be deployed and whether RHACC could benefit from the government scheme to pay £1k for staff recalled and employed until at least January 2021. The Principal replied that the majority of furloughed staff are variable hours tutors and so will be brought out of furlough when their teaching duties resume. As it is not clear what provision will run in the new academic year management are reviewing the course closure procedure and will look to redeploy staff if possible. Enrolments are being monitored daily, but it is difficult to predict how learners will respond to the ongoing pandemic. Non essential roles are being kept vacant to allow redeployment</p> |  |

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|    | <p>opportunities; staff will be made aware of all options, both within teaching and business support.</p> <p>In answer to a question from Ms O'Shea regarding class size reduction in light of social distancing requirements the Principal informed the Board that classes would be authorised to run on lower numbers initially but that options for larger classes with learners taking it in turns to attend remotely are being explored. The Chair Designate added that the situation would remain dynamic and therefore he had scheduled weekly update calls with the Principal.</p> <p>Mr Albrow asked what activities were running onsite over the Summer. The Principal replied that there were a small amount of Art and Craft classes, Accountancy examinations and some enrolment/IAG events. This small provision is being used as a pilot so that Covid safety measures can be adapted as required for September.</p> <p>Ms Clarke commented that the government will be looking for solutions for the unemployment issues post-Covid and asked whether RHACC was collaborating with other providers and the AoC to help provide those solutions. The Principal confirmed that collaboration is ongoing and also includes local councils.</p> <p><b><i>The Board noted the July 2020 Principal's Report.</i></b></p>   |  |
| 7. | <p><b><u>COVID-19 UPDATE</u></b></p> <p>The Principal presented the Covid-19 update, informing the Board that the College risk assessments and plan had been shared with both Richmond and Kingston Councils and thanked the Finance &amp; Resources Committee and Mr Albrow for their scrutiny of the documents.</p> <p>Mr Albrow commented that learners attending the recent Forums had been anxious about how the College would manage to keep the site Covid safe. The Principal stated that the risk assessments would be shared with learners and information was also available on the website.</p> <p>The café is unlikely to reopen initially in its present form; the ESFA have given the College permission to use bursary funds to provide packed lunches to LLDD learners. These bursary funds could also be used to cover taxi costs for vulnerable learners on low incomes to travel to the site.</p> <p><b><i>The Board noted the Covid-19 update.</i></b></p>  |  |
| 8. | <p><b><u>FINANCE &amp; RESOURCES MATTERS</u></b></p> <p><b>a) May 2020 Management Accounts</b></p> <p>The Director of Finance &amp; Resources presented the May Management Accounts, noting that whilst at the end of March the College had been on budget, the May accounts show a £474k deficit and an end of year forecast of around £900k deficit. This is predominantly due to loss of tuition fee income. RHACC is fortunate to have a strong cash balance, which is forecast to remain at £4 million at the end of the year. The College has made use of the government's Job Retention Scheme, which will provide £125k of income in the current academic year. Savings on expenditure are expected to be made but at this stage these are uncertain and so have not been reflected in the forecast figures.</p> <p>As a result of the forecast deficit, the College's financial health will reduce from 'good' to 'requires improvement'. (Requires improvement scores are between 120 and 170; RHACC is forecasting 160 so the College will be at the upper end of the scale).</p> <p>Since the May Management Accounts were completed, the College has successfully bid to the GLA for £50k of funds to boost digital capability which will be used to purchase IT equipment to enable online learning.</p> <p>The GLA are planning to release further capital funding for equipment or site adaptations related to Covid-19, however at present the amount available has not been communicated. The Prime Minister has also announced that £200 million will be available to the sector on an allocation basis in 20/21 but details have not yet been published.</p> |  |

Mr Ware, Chair of the Finance & Resources Committee, reminded the Board of the importance of the EBITDA figure, stating that the depreciation of the Parkshot site accounts for £900k of the loss. There will only be a cash loss of £379k at the end of the year.

Ms Rachlin noted that it is forecast that £500k of tuition fee income will be lost and asked what made up the balance of the deficit. The Director of Finance & Resources responded that the College had a budgeted deficit of almost £400k and that other income has been lost, including adult learner loans, hires and lettings, course materials and the crèche. Additional costs have been incurred making the site Covid-safe.

***The Board noted the May 2020 Management Accounts.***

**b) Budget and Financial Health Calculator and Cashflow**

**bi) Budget setting 2020/21**

The Director of Finance & Resources presented the draft budget for 2020/21, along with a financial health commentary, calculator and cashflow – all of which will be submitted to the ESFA in July. The Director outlined the assumptions that had been made when creating the budget, which includes tuition fee income set at the forecast level for 2019/20 due to the level of uncertainty about enrolment numbers going forward. It has also been assumed that some offset savings will be made as a result of the cessation of onsite residential learning, that the DfE will honour their agreement to fund the increase in the teacher's pension scheme contributions and that there will continue to be depressed lettings income. The Merton and Richmond Council contracts and the Deer Park School income have been included within the draft budget. The pay budget has been based on the current staff structure with some posts held as vacant. Some non-pay costs have been included for further Covid safety measures.

The paper that will be sent to the ESFA will highlight the exceptional costs related to Covid-19; this will include the lost income and additional expenditure and the level of uncertainty going forward. Both the ESFA and the AoC have advised colleges to create a revised budget in the Autumn term once the enrolment picture is clearer. The July draft budget for 20/21 forecasts a deficit of £1 million and an EBITDA of £400k.

Mr Brewster queried why The Bridge income had been reduced, when employees who are struggling to work from home may prefer a local co-working space rather than to commute into Central London. The Director of Finance & Resources replied that due to social distancing requirements the number of spaces available in The Bridge had been reduced. The reduction in the Hires and Lettings income line is mainly due to the forecast reduction in external hires of College spaces such as the theatre, rather than a reduction in the use of The Bridge.

Mr Brewster expressed disappointment that the staff costs to income ratio was forecast to return to above 70% and asked whether this was sustainable in the long term. The Director of Finance & Resources responded that the ratio was rising due to the loss of income, not due to an increase in staff costs. When the enrolment picture is clearer the need for variable hours tutors may reduce, thus lowering the ratio figure.

Ms Clarke asked whether the costs of staff training regarding online learning was factored into the budget. The Principal replied that this was an area management had identified for improvement and that a staff training plan was under development for the new academic year.

In answer to a question from Professor George about how sensitive the budget figures were to enrolment numbers, the Director of Finance & Resources indicated that the budget would be sensitive to tuition fee income, and that this was the big risk for 2020/21. If the College achieves between 97% and 100% of its funding allocation, then 100% of the allocation will be paid. This academic year RHACC is set to achieve only 80% - 90% of the allocation, and whilst the funding bodies have guaranteed payment of 100% of allocation for 2019/20 there is no guarantee in place for 2020/21. A 90% achievement of allocation in 20/21 would result in a reconciliation clawback of £500k. As a result, colleges are lobbying the funding bodies and the government for a guarantee of no funding reconciliation for 20/21 and 21/22.

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|                  | <p>Ms Rachlin asked whether the budget assumes that tuition fee income will be back to normal for terms two and three of 2020/21, as the budget has been set to the same level as 2019/21. The Director of Finance &amp; Resources replied that the current tuition fee income has been achieved from 1.8 terms. It is hoped that term one of 2020/21 will see an increase in tuition fee income from term 3 of 2019/20 and that enrolment numbers will recover in terms two and three.</p> <p><b><i>The Board approved the budget for 2020/21.</i></b></p> <p><b>bii) Financial Plan Commentary</b></p> <p><b><i>The Board approved the Financial Plan Commentary that will accompany the Budget when it is sent to the ESFA.</i></b></p> <p><b>biii) Financial Health Calculator</b></p> <p><b><i>The Board approved the Financial Health Calculator</i></b></p> <p><b>biv) Standard Cashflow Template</b></p> <p><b><i>The Board approved the Standard Cashflow Template</i></b></p> <p><b>c) Financial Regulations</b></p> <p>The Director of Finance &amp; Resources presented the Financial Regulations for 2020/21, informing the Board that they were recommended for approval by the Finance &amp; Resources Committee. The Regulations' only amendment is a change to the requirement for 2 quotes for goods/services costing between £3k and £25k to between £3k and £15k. Three quotes will now be required for sums above £15k.</p> <p>In answer to a question from Professor George about the number of exceptional circumstances that take place during a year, the Director of Finance &amp; Resources indicated that it was usually none. Any exceptional circumstance would be reported to the Finance &amp; Resources Committee.</p> <p><b><i>The Board approved the Financial Regulations for 2020/21.</i></b></p> <p><b>d) Subcontracting Strategy and Proposal 2020/21</b></p> <p><b>e) Supply Chain Fees and Charges Policy 2020/21</b></p> <p>The Director of Finance &amp; Resources presented the Subcontracting Strategy &amp; Proposal and the Supply Chain Fees and Charges Policy for 2020/21, informing the Board that they had been recommended for approval by the Quality &amp; Standards Committee and the Finance &amp; Resources Committee. The College is required to report how much income will be retained as a management fee in a subcontracting contract; no changes are proposed for 2020/21. RHACC is aiming to reduce the amount of subcontracted provision and reach a wider geographic area by increasing the amount of online courses.</p> <p><b><i>The Board approved the Subcontracting Strategy &amp; Proposal and the Supply Chain Fees and Charges Policy for 2020/21.</i></b></p> |  |
| <p><b>9.</b></p> | <p><b><u>AUDIT MATTERS</u></b></p> <p><b>Risk Register and Heat Map</b></p> <p>The Director of Finance &amp; Resources presented the Risk Register and Heat Map, reporting that five of the six red rated risks relate to Covid-19 issues with the pandemic also affecting several other risks. Professor George queried why risk 6: <i>Teaching and learning quality falls below relevant benchmarks and standards</i> had reduced in risk score despite the pandemic. The Vice Principal for Teaching &amp; Learning responded that the risk related to the Ofsted standards. The Principal noted, however, that this risk will increase in score when RHACC are given the Richmond Council ACL contract.</p> <p><b><i>The Board noted the Risk Register and Heat Map</i></b></p>   |  |

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| 10. | <p><b><u>TEACHING AND LEARNING MATTERS</u></b></p> <p><b>a) Teaching &amp; Learning Quality Report</b><br/> The Vice Principal for Teaching &amp; Learning presented the Teaching &amp; Learning Quality Report, informing the Board that the calculated grades for qualification learners had been submitted (in lieu of examinations cancelled due to the pandemic). Based on these grades it is forecast that Access and English and maths GCSEs will have good results, with Women’s Education results higher than predicted. The Summer School is acting as a useful pilot for the Autumn in terms of learner behaviour and trialling the new video conferencing equipment.</p> <p>In answer to a question from Mr Ware regarding anticipated achievement, the Vice Principal for Teaching &amp; Learning noted that forecast achievement will be inaccurate this year as a result of the pandemic, as the formula calculation is retention x last years’ pass rate. The inaccuracy of forecasted achievement rates has been noted by the government and this data will not be used by Ofsted or the FE Commissioner when reviewing college’s performance in 2019/20.</p> <p>Ms O’Shea asked about the staff training payment package. The Vice Principal for Teaching &amp; Learning indicated that RHACC had increased the budget for staff CPD and the payment rate and had created a brief digital training package that can be accessed by all staff, including those on furlough.</p> <p><b><i>The Board noted the Teaching &amp; Learning Quality Report</i></b></p> <p><b>b) Matrix Assessment</b><br/> The Vice Principal for Teaching &amp; Learning presented the Matrix Assessment report, noting the successful outcome and very positive judgements for the assessment that had been carried out remotely. Mr Albrow commented that, as Lead Governor for Learner Involvement and Safeguarding, he was interviewed by the inspector, who commented upon the activeness of the Board.</p> <p><b><i>The Board noted the Matrix Assessment outcome.</i></b></p> |       |
| 11. | <p><b><u>ESTATES MATERS</u></b></p> <p><b><u>Capital Project Steering Group Update</u></b></p> <p><b>a) CPSG minutes – 14 May 2020</b></p> <p><b><i>The Board noted the CPSG minutes from 14 May 2020.</i></b></p> <p><b>b) Update on Hillcroft Development</b></p> <p>[Redacted]</p> <p><b><i>The Board noted the update on the Hillcroft development.</i></b></p>   |       |
| 12. | <p><b><u>RECOMMENDATIONS FROM THE SEARCH &amp; GOVERNANCE COMMITTEE</u></b></p> <p><b>a) Corporation self-assessment and appraisal process for 2019/20</b><br/> The Clerk presented the self-assessment and appraisal process for 2019/20, informing the Board that feedback from the 2018/19 process had been noted. The four new governors will be included in the process.</p> <p><b><i>The Board approved the self-assessment and appraisal process for 2019/20</i></b></p> <p><b>b) Board Workplan 2020/21</b><br/> The Clerk presented the Board Workplan for 2020/21, which had been reviewed by each Committee Chair. The Board agreed that the workplan will be an agenda item at the first meeting of each Committee so that any additional topics for discussion can be included.</p> <p><b><i>The Board approved the Workplan for 2020/21 subject to any additions made by the Standing Committees.</i></b></p>   | Clerk |

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|     | <p><b>c) Meeting Dates 2020/21</b></p> <p><i>The Board approved the meeting dates for 2020/21.</i></p>  |  |
| 13. | <p><b><u>ANY OTHER BUSINESS</u></b></p> <p>This was the last meeting of the current Chair, Louise Fluker. The Board thanked her for her many years of service to RHACC and the difference that she had made to the College – leading the merger, achieving a good financial position and successful Ofsted assessments.</p> |  |

The meeting ended at approximately 5pm.