

## CENTRAL SUSSEX CORPORATION

### Minutes of a Corporation Meeting held at 5.00 p.m. on Monday, 15<sup>th</sup> December 2008 in T11 Crawley Campus

**Membership:** Clive Behagg\*, Patrick Berry\*, Martin Delbridge (Vice-Chair)\*, Leslie Edwards, Mark Froud\*, Paul Harding, Tony Hyams-Parish\*, Gill Marshman\*, Sylvia Meli\*, Adam Passingham\*, John Peel (Chair)\*, Mark Read\*, Zoë Richardson\*, Ramesh Shingadia\* and Russell Strutt\*.

\* = present

**Also in attendance:** Suri Araniyasundaran, Sue Dare, Adrian Dodwell, Maureen Kilminster, Jenny Poore and Nick Whitley (Clerk)

#### APOLOGIES FOR ABSENCE

1. Apologies for absence were received from Paul Harding

#### DECLARATIONS OF INTEREST

2. There were no interests to declare.

#### MEMBERSHIP: RE-APPOINTMENT OF SYLVIA MELI

3. The Clerk introduced this item, advising the Corporation that Sylvia Meli's term of office as a Parent Member was limited to two years and had now come to an end. She had offered herself for re-appointment, this time as a Member of the Corporation, and had submitted her curriculum vitae to the Governance & Search Committee.
4. The Committee were of the opinion that her skills and experience continued to be of significant importance to the Corporation and that she met certain of the high priority criteria for addressing the Corporation's longer term needs, including in particular marketing skills, business and financial acumen and understanding of the College and the sector. The Committee was therefore recommending that she be re-appointed.
5. **It was agreed to appoint Sylvia Meli as a member of the Corporation with immediate effect for a period of four years.**

Sylvia Meli joined the meeting at 5.06 p.m. She confirmed that she had no interests to declare.

## MINUTES OF A MEETING OF 20TH OCTOBER 2008

6. The Minutes were signed as a correct record.

### MATTERS ARISING

7. **Accident Rate/22 & 28:** The Principal confirmed that there had been an increase in accidents during the year; the discussion of a reduction in accident rate had been based on an incorrect table and graphs in the report as circulated. Two different data-sets had been combined, and this had not been recognised when populating the table. It was confirmed that the table and graphs would be republished.
8. **Delays by the LSC in notifying the College of funding allocations/48:** The Chair confirmed that he had raised this at the last meeting of the Sussex Chairs. The other colleges had been equally badly affected and the Chairs had expressed their concern.
9. **The complexity and bureaucracy associated with Train to Gain etc./57:** The Chair confirmed that he had also raised this with the Sussex Chairs. The General Further Education College Chairs, whose Colleges were also affected, had expressed similar concerns; however it was felt that the situation was likely to worsen as more and more funding was transferred into demand-led funding streams.
10. **Pensions Task Group/79:** The Chair advised that the first meeting of the Task Group would now be arranged for after the inspection.
11. **Review of long term policies/87:** The Chair advised that he and the Clerk had not yet considered how best to address this, it would therefore be carried forward.

### CHAIRMAN'S ACTION

12. The Chair advised the meeting that, as agreed by the Corporation, he had now signed the agreement to sell the College's land at Three Bridges.
13. The Chair also advised that, in accordance with the decision of the Corporation at its July meeting, he, with the concurrent agreement of the Chair of Resources and the Chair of the Task & Finish Group (Masterplan) had approved the Education Case, Property Case and Financial Case for the submission to the LSC of the Application in Detail (AiD) for Haywards Heath Phase 3 and the Application in Principle (AiP) for the Crawley Campus Masterplan.
14. **The Chairman's Actions were ratified.**

### HEALTH & SAFETY REPORT

15. Jenny Poore introduced the report and took the meeting through the Executive Summary. She highlighted the improvement in the number of

walkabout inspections, as a result of training additional staff. The Unions were pleased with the progress that had been made.

16. **The report was received.**

## **EQUALITY & DIVERSITY**

17. The Clerk laid round a single page with highlighted paragraphs that had been added in response to the Curriculum, Quality & Standards Committee's comments.
18. The Principal took the meeting through the report, drawing particular attention to the College's success with learners with Disabilities and Additional Needs.
19. Under the Race and Culture heading he drew attention to the one ethnic group that was not performing as well as the College expected, namely Bangladeshi students. It was important to recognise that the College had a responsibility to address the particular learning needs of the increasing number of minority groups.
20. The staffing profile did not quite match that of the local population, but it was not very dissimilar. There was an issue with the lack of progression through the management levels of Black and Minority Ethnic Groups (BME) staff. It would be important to take action to address this, by supporting the BME members of staff and encouraging them to seek and gain promotion and progression.
21. **The report was received.**

## **FREEDOM OF INFORMATION ACT - MODEL PUBLICATION SCHEME**

22. The Clerk introduced the paper explaining the background. He stressed that the details as presented represented an initial response to the Information Commissioner's requirements; over time it was planned to extend the information that was available on the College Website.
23. Concern was expressed at the cost of maintaining and updating the information on the Website. The Chair suggested that this provided an opportunity to enable all Corporation Members to have easy access to the College policies and documents without having to make specific provision.
24. It was stressed that the Marketing Department should be kept informed of any Freedom of Information requests and responses to ensure that the College's reputation was safeguarded.
25. **It was agreed to adopt the Model Publication Scheme for Further Education (FE) Colleges.**

## **PRINCIPAL'S UPDATE**

26. The Principal introduced his report by drawing attention to the successful Diversity Week held in the College during the first week of December. This

had concluded too late for him to include it within his report. It had been well supported by both staff and students.

27. He drew attention to the recent monitoring visit by the LSC; all aspects of the College's provision had been considered to be strong and the LSC was very pleased with the College's performance. The College's Work Based Learning provision had been praised because of the improved success rates; they were pleased with last year's Train to Gain performance.
28. One particular area of interest was the level of fees collected, compared to the theoretical level. Nationally the target was being set at 70%; the College had achieved 82% in 2007/2008, well above the Sussex and national norms. He confirmed that the theoretical fees excluded learners who were entitled to fee remission; fees were calculated at 42.5% of the national funding rate. The College tended not to charge the full amount to its full-time adult learners since there would be very few if any who would be prepared to pay that much. It was therefore a marketing decision to charge less than full fees.
29. The level of those Not in Education, Employment or Training (NEETS) in the area served by the College was the lowest in Sussex and one of the lowest in the country; this linked to the College's inclusion agenda.
30. Overall both the LSC and the College had been pleased by the visit.
31. The Principal then drew attention to the section headed Planning Priorities 2009/2010. A "blizzard" of initiatives and reform was coming from Government; it was the Principal's proposal that a task & Finish Group be convened for the end of January or soon thereafter to consider the implications of these new policies. There were a number of recent Government publications which needed to be considered carefully and were bound to have implications for the future of the College. Of particular importance was the way that Children's Trusts were being driven, to oversee children in all respects including education from birth to age 19, and the Government's stress on the apprenticeship route. This was seen as fundamental to the raising of the school leaving age to eighteen.
32. There was a sense that a momentum was being built up that would last beyond the next General Election, regardless of the outcome. It was also clear that the Government was taking over the direction of the LSC during the transition period.
33. The Principal drew attention to the fact that a number of new opportunities to bid for funding would become available in the New Year as part of the Government's programme to address the downturn in the economy. He confirmed that, should the College be successful in winning funding for growth, it would be necessary to devote additional resources to it. It should also be noted that the educational cases for the Haywards Heath and Crawley assumed growth.
34. He drew attention to the fact that Colleges in the North of England were seen as more successful and creative in promoting apprenticeships; they had won greater flexibility in interpreting the criteria. The Sussex Colleges were being asked to follow suit.

35. Another opportunity for the College was the merger of procurement arrangements for Job Centre Plus with those for the Department of Work and Pensions, in both cases by means of e-procurement. The College had managed to register before the deadline of 10<sup>th</sup> December.
36. The LSC had stressed that the Adult Learner Responsive Funding remained a significant priority for the Government despite the fact that the overall funding had been diminishing in favour of Train to Gain. Most Colleges did not have any senior manager responsible for adults as distinct from Work Based Learning and pressure was being exerted by the LSC for this to be re-considered.
37. The Principal then drew attention to the Self Assessment of Leadership and Management, which fed in to the self Assessment Report (SAR) to be considered later in the Agenda. He highlighted the role of Governors within this, together with the importance of the Curriculum, Quality & Standards Committee. He also stressed the significance of the grading for the College's capacity to Improve, which addressed the question of whether the College had the ability to move from where it was now to an improved state (i.e. outstanding) in the next two to three years.
38. The Principal stressed that the Self Assessment rested on a strong evidence base and had been subjected to a rigorous moderation process with a robust peer review. There were four big things that needed to be improved.
39. Firstly, student reviews: progress needed to be tightly monitored and learners needed to be motivated to achieve aspirational performance.
40. Secondly, teams needed to own targets for aspirational performance.
41. Thirdly, team leaders needed to undergo a strong development programme.
42. Fourthly, the Level 2 Success rate needed to improve. Everything else was well above National Averages and was showing a strong trend of improvement, whereas Level 2 was only in line with National Averages and was improving only slowly. This was not good enough. It would be important to identify what was not being done as well as was needed.
43. Essentially the College had a strong base-line and knew how to improve to become outstanding.
44. The Principal then advised the meeting that he had at last received the call announcing the Inspection, which would begin on the 19<sup>th</sup> January. The Lead Inspector was called Nigel Fletcher; he would be coming in to the College at the end of the week to plan the Inspection. Sue Dare was to be the College's nominee and would join the Inspection Team for the whole of the week they were on site.
45. The Principal advised that he would be calling a meeting of those Corporation Members who were to be involved in meeting the Inspectors; he was planning this for Friday 9<sup>th</sup> January at 3.30 p.m. Those who had volunteered so far included John Peel, Clive Behagg, Martin Delbridge, Paul Harding and Patrick Berry; others would be welcome.
46. The Inspection Team would consist of twelve Inspectors.

47. **The report was noted.**

**REPORT OF THE AUDIT COMMITTEE**

48. Mark Froud introduced the report, advising the meeting that the external audit had gone smoothly. Nothing had been identified of a significance warranting a separate Management Letter. There was a potential deficit in the Local Government Pension Scheme which had been identified by the actuaries and was addressed in the final accounts.
49. Mark Froud drew attention to the treatment of £1.5m of costs of developing the Crawley Masterplan; the Corporation Membership needed to feel convinced that there was sufficient assurance from the LSC that the project would go ahead, despite there being nothing in writing. The LSC's support for the Crawley Masterplan had been expressed orally at a meeting with Corporation Members and the Executive; this had been followed up by notes of the meeting. These indicated that a substantial project (at the least) would be supported.
50. The alternative would be to charge the full £1.5m to the Income and Expenditure Account (creating a major deficit for the year) rather than depreciating it over the anticipated life of the new building (60 years). Both the Resources Committee and the Audit Committee had discussed the appropriate treatment with the auditors.
51. Patrick Berry commented that he, with two other Members of the Task & Finish Group as well as the Chair of Corporation, had attended the meeting with LSC Officers. It had proved a long and arduous process to get to the point they had now reached; however they now had no reason to believe that the College would not obtain substantially what was required.
52. Should circumstances change at a later date, the costs would have to be written off at that time.
53. Mark Froud then drew attention to the specific wording that the auditors had asked to be included in the Representation Letter. The Audit Committee had tested the accounting treatment with the auditors; KPMG were satisfied, subject to the Corporation being able to make the statement in the Letter, that capitalisation of the £1.5m was acceptable.
54. The Principal reminded the meeting that the Corporation had agreed to continue incurring the development costs in order to minimise the delays to the project. This was done on a risk management basis and in the expectation that the project would go ahead as planned and that the costs incurred would not be wasted. The LSC were looking to delay projects in order to smooth out the potential peaks in capital expenditure; however it was being stressed that there was no reduction in capital funding, just an extension of the time over which it would be spread.
55. Mark Froud then drew attention to the Audit Committee's Annual Report; he was particularly pleased at the improvement in attendance by the Audit Committee Members which stood at 92% for the last year. The Audit Committee was of the opinion, based on its activities and the advice of the internal auditors, that the College had to the full extent of its knowledge, adequate and effective internal control systems and arrangements for risk

management, control and governance processes and securing economy, efficiency and effectiveness (value for money). The Committee was also of the opinion that the Corporation's responsibilities included in the annual financial statements had been satisfactorily discharged.

56. Mark Froud then drew attention to the Financial Management Control Evaluation (FMCE) Questionnaire, which the Committee Members had reviewed. This was a new requirement to take the place of the Self Assessment Review Questionnaire (SARQ) that the Governance & Search Committee had reviewed at its last meeting. It would be used as the basis for a review by the LSC Provider Financial Audit team in parallel with the Inspection, the results of which would inform both the Inspection Team and the Framework for Excellence financial grading.
57. **The report was received.**
58. **The Audit Committee's Annual report was received.**
59. **KPMG were re-appointed as financial statement and regularity auditors for the financial year ending 31<sup>st</sup> July 2009.**
60. **The Audit Committee's approval of the Financial Management Control Evaluation Questionnaire for submission to the LSC was ratified.**

#### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

61. The Clerk laid round a paper identifying three changes to the Statements that had been discussed with the auditors.
62. Suri Araniyasundaran then introduced the accounts. He advised that the proposed changes did not affect the substance of the report and accounts, but were essentially typographical or presentational in nature.
63. The proposed additional paragraph identifying the mitigation controls for the key strategic risks was reviewed and revised to read:-

“The College has developed sound operational controls and procedures to support College objectives. The Colleges will seek to reduce the dependency on government income, take all reasonable steps to staff adequately the generation of demand-led income streams, both LSC funded as well as non-Government funded, endeavour to derive efficiency gains in line with College plans and continue the focus on Teaching and Learning”.
64. It was noted that the typographical errors remained to be corrected before the final document could be signed and **it was agreed that the Chair should be authorised to approve and sign the finalised version.**

#### **JOINT RECOMMENDATION FROM THE RESOURCES AND AUDIT COMMITTEES**

65. The Clerk laid round a brief paper summarising the two Committees' recommendations.

66. **The Annual Report and Financial Statements was formally adopted and, subject to the final corrections referred to in paragraph 62, the Chair was authorised to sign on behalf of the Corporation.**
67. The Chair asked that the Corporation's thanks and appreciation be communicated to all the staff who had been involved in the preparation of the accounts.

#### **LETTER OF REPRESENTATION**

68. **It was agreed that the Chair be authorised to sign the Letter of Representation on behalf of the Corporation.**

#### **REPORT OF THE CURRICULUM, QUALITY & STANDARDS COMMITTEE**

69. The Clerk laid round an Executive Summary of the Self Assessment Report (SAR).
70. Martin Delbridge introduced the report of the Committee. He drew attention to the review that had been carried out of the Brighton Institute of Modern Music (BIMM), with which the College had a franchise, and took the meeting through the report.
71. The main focus of attention for the Committee had been the SAR; this would be followed in the New Year by the Action Plan to address areas for improvement. The College had a clear understanding of itself and the context it was operating in. The Committee had tested the moderation built into the process; the value of self assessment lay in rigorous challenge and testing.
72. The Haywards Heath campus SAR had been closely scrutinised by the Burgess Hill & Haywards Heath Local Community Board (LCB) combined with a report on Link Visits. The LCB had spent some time considering the effectiveness of Value Added; it was clear that this needed to be considered over a longer period than one year alone.
73. In summary, Martin Delbridge concluded the Committee had challenged the process and scrutinised the results; he then asked Sue Dare to take the meeting through the Executive Summary of the SAR.
74. Sue Dare highlighted the main strengths. She drew particular attention to the Level 3 results and explained that, because of the A-Level focus of the Haywards Heath campus, it was only to be expected that the Level 3 achievement would be good. For that reason the A2 and AS Level results were compared with Sixth Form College benchmarks, not just those for General Further Education Colleges.
75. Overall there was a significant improvement in the number and proportion of learners who were within areas of learning that were graded good or better, and generally there was continuing improvement in success rates that were well above the national rates, with the exception of Level 2 courses.
76. The College Inspectors had questioned the rigour of the College's teaching observation scheme last year; as a consequence, the scheme had been reviewed and changes made to improve its rigour. There had been a tremendous improvement overall in teaching and learning. The high grades

for teaching and learning needed to be viewed with some caution, however. The scheme originally did not include graded observations of new teachers while they were in the first year of their teacher training course. The observations during that year were carried out for developmental purposes only. One of the revisions of the scheme was to carry out graded observations for all teachers, including during the first year of teacher training. As the new scheme bedded in, it was therefore expected that the overall grades would be depressed somewhat, since new teachers were not expected to have extensive or well developed ranges of teaching techniques.

77. The SAR had been scrutinised and tested both by peer review and by the Curriculum, Quality & Standards Committee and a number of changes had been made subsequently. Maths had been reviewed again and downgraded as a result of discussions at the Committee; it was now graded 3, satisfactory.
78. Clive Behagg commented that, in his judgement, the Committee had had a very good discussion of the SAR and had satisfied itself that the process was robust. The SAR itself gave a very good summary of where the College was and where it needed to get to; it was not just a vehicle for Inspection but was a guide to the College's own quality improvement plan.
79. All the staff involved in preparing the SAR were thanked.
80. **The report was received.**
81. **It was agreed to approve the Self Assessment Report for submission to the LSC, subject to final corrections to be approved by the Chair of the Corporation.**

Martin Delbridge left the meeting at 7.09 pm.

## **REPORT OF THE RESOURCES COMMITTEE**

82. Patrick Berry introduced the report. He drew attention to absence management, which notwithstanding the rise in the absence rate was clearly under good control.
83. The Committee had been particularly pleased to see the diversity report, recognising that there was an issue with the progress of members of BME staff to management level. Processes had been put in place to ensure that this would be monitored and addressed; it would clearly take time to redress the balance.
84. The pay negotiations had dragged on even longer than usual, but had now been resolved at national level; this was the subject of one of the Committee's recommendations.
85. The Committee had reviewed the accounts, as had been reported earlier in the meeting; one of the complicating factors was the treatment of pensions under Financial Reporting Standard (FRS) 17. Every pension fund in the country was going ever deeper into the red; at some stage something would need to be done at a fundamental level. **It was agreed that the Pensions Task & Finish Group should address the question of whether the Corporation could opt out of the Local Government Pension Scheme.**

86. The Management Accounts had been reviewed; while they were acceptable at this stage in the year, there were significant risks. Efficiency savings of 1% had been achieved, but a further 2% were required, which the Committee would be looking at closely over the coming months.
87. The College had cash flow problems that would deepen over the coming months, because of delays in payment by the LSC; the situation would not recover until mid April. The Corporation had previously authorised an overdraft facility on an annual basis; it was now proposed to increase this to £1.25m.
88. Patrick Berry then drew attention to the need for temporary premises to house the music teaching while Phase 3 was under construction.
89. He advised the meeting that the Committee had reviewed its effectiveness. The main way in which this would be improved would be if more benchmarking information were available; the Committee recognised the difficulty of obtaining comparable data from other Colleges, but found the lack of it somewhat frustrating. The Committee did feel well supported by the Executive.
90. It was noted that the College had to borrow money at a higher interest rate than Government would pay, to cover the delay in payment by the LSC.
91. The contrast between the time taken by the LSC to make payment and the statements by Government Ministers about businesses paying speedily was noted and the Chair was asked to draw this to the attention of the Minister for Business.
92. **The report was received.**
93. **The Principal was authorised to give the full 2.66% pay award agreed between the AoC and the Unions to those staff on AoC terms and conditions; it was confirmed that those staff who had chosen to remain on Sixth Form terms and conditions at Haywards Heath campus would receive 2.45%. It was noted that part-payment of the pay awards had already been made.**
94. **It was agreed that the bank be asked to extend the overdraft facility from February 2009 to January 2010, for up to £1.25m.**
95. **The Fee Policy for 2009/2010 was approved.**
96. **It was agreed to increase the Principal's delegated authority to incur expenditure from £100k to £120k for the specific purpose only of leasing temporary premises for the provision of music during the construction of Phase 3 of the Haywards Heath development.**

## **REPORT OF THE TASK & FINISH GROUP MASTERPLAN**

97. Patrick Berry introduced the report in Paul Harding's absence.
98. He drew attention to the fact that the theoretical space calculations gave a surplus of space for the Haywards Heath new building, because of the theatre and sports hall.

99. He advised the meeting that the education numbers had now been determined for the educational cases for both Haywards Heath and Crawley, and the financial case for Haywards Heath Phase 3 was almost completed. Once the Application in Detail (AiD) had been submitted for Haywards Heath Phase 3, steps would be taken to propose the Application in Principle (AiP) for Crawley. It would be essential to convince the LSC that Crawley could be project managed at the same time as Haywards Heath.
100. It was noted that the College would have to finance the construction phases of each development; the LSC would only provide capital funding after completion of the building.
101. **The report was received.**
102. **The decision to endorse the educational, property and financial cases, including additional long term borrowing of £3.83 and the continuation of the £8m revolving loan, for the Application in Detail for Haywards Heath Phase 3 and the Application in Principle for the Crawley Masterplan was noted and approved.**
103. **It was agreed to authorise the Executive to commission further work and design development by the chosen contractor for Haywards Heath Phase 3 of up to £100k in advance of letting the contract, with the aim of starting on site at the end of April 2009.**

#### **BURGESS HILL & HAYWARDS HEATH LOCAL COMMUNITY BOARD (LCB) REPORT**

104. The Principal introduced the report in the absence of Martin Delbridge.
105. It was noted that the substance of the meeting had been addressed within the report of the Curriculum, Quality & Standards Committee.
106. One positive point noted by the Board was the strength of the Learner Satisfaction Survey at Haywards Heath campus.
107. The Board had noted that enrolments at the Burgess Hill campus had been better than planned.
108. **The report was received.**

#### **REPORT OF THE GOVERNANCE & SEARCH COMMITTEE**

109. The Chair introduced the report. He advised that the Committee had been looking closely at Corporation membership, both immediately and for the longer term and had taken the decision to embark upon a recruitment drive to strengthen it for the longer term.
110. The Committee had reviewed both its own attendance and that of the rest of the Corporation. There had been an overall dip in attendance, largely explained by the fact that Alan Morris, although given leave of absence, counted within the statistics.

111. The Committee was suggesting that it process the initial stages of the election of Chair and Vice-Chair as an easier way of dealing with what could be sensitive issues.
112. **It was agreed to amend the Terms of Reference for the Governance & Search Committee as follows:-**
- 1.4, The Committee shall meet twice a year as a minimum.**
- 1.1, 4<sup>th</sup> bullet point – Any other Members nominated by the Chair of the Corporation and confirmed by the Committee.**
- 1.3, The quorum for meetings of the Committee shall be two, not including the Principal.**
113. **It was agreed that any re-appointment to the position of Chair and Vice-Chair of the Corporation be considered by the Governance & Search Committee with a recommendation to the Corporation for decision.**

#### **CHAIRMAN'S UPDATE**

114. The Chair advised that it had been a crowded autumn schedule; he had attended three Awards Evenings, a number of Committees and Task & Finish Group meetings, including one with officials from the LSC. He had met with the new Chief Executive of Crawley Borough Council.
115. He had gone to the AoC Annual Conference with the Principal and Sue Dare and had also attended a meeting of the Sussex Chairs. He had attended an Inspection Preparation group and a Review Panel and a meeting about the proposed University Centre.
116. The AoC Conference had proved instructive; it was clear that other Colleges were also struggling with the Demand-Led environment and cash flow difficulties. He had attended three workshops on the future of IT in learning; this was very much to the point as the College was grappling with its future space requirements. CISCO had offered invitations to view their technologies at some point in the near future.

#### **ANY OTHER BUSINESS**

117. There being no other business, the meeting closed at 7.30 p.m.
118. It was suggested that the next meeting, on the 26<sup>th</sup> March, should be held at Haywards Heath campus.