

CENTRAL SUSSEX CORPORATION

Minutes of a meeting of the Central Sussex Corporation held at 5.00 pm on Monday, 13th March 2006 at Crawley Campus

Membership: Mike Allen*, Patrick Berry*, Martin Delbridge (Vice-Chair)*, Mark Froud*, Paul Harding*, Gill Marshman*, James Moran*, Krishny Nallarajah*, John Peel (Chair)*, Mark Read*, Sue Samson* and Russell Strutt*.

Also in attendance: Suri Araniyasundaran, Sue Dare, Adrian Dodwell, Ken Hanworth, Jenny Poore, Maureen Kilminster and Nick Whitely (Clerk), and for item 8 only, Roz Beesley

* = present

APOLOGIES

1. There were no apologies for absence.

DECLARATION OF INTERESTS

2. There were no interests to declare.

MINUTES OF A MEETING OF THE 12TH DECEMBER 2005

3. The minutes were signed as a correct record.

MATTERS ARISING

4. **Quorum/76:** It was agreed to amend the wording for the Standing Orders of the Corporation to read as follows : **Where a Corporation meeting may only take place through the application of the quoracy rules, then that meeting shall only take place if the combined number of Business and Co-opted Members present form the majority of the quorum.**
5. **Crawley and Horsham Local Community Board(LCB)/77:** Paul Harding updated the meeting on progress to establish the LCB; there were a number of individuals who had responded positively to being asked to join the LCB; he anticipated being able to hold an inaugural meeting within six to eight weeks.

Sue Samson joined the meeting at 17.08

MINUTES OF A SPECIAL MEETING HELD ON THE 30TH DECEMBER 2006

6. The minutes were signed as a correct record.

MATTERS ARISING

7. **Marketing Strategy/17:** It was confirmed that the draft Marketing Strategy would be considered by the Policy & Planning Committee at its next meeting.
8. **Wording of the Mission and Vision Statements/20:** The Principal stressed the constructive nature of the dialogue with staff over the wording of these statements. Staff had welcomed the thrust of the statements as written, but considered that they

needed to be less wordy; they had also identified that, for example, the College's commitment to community learning had not been expressed. Jenny Poore had undertaken to meet with a group of interested staff to work on tightening up the wording. It was noted that the Corporation would need to review the revised draft before it could be formally adopted.

9. **Self Assessment Report Action Plan/27:** It was confirmed that this would be circulated with the papers for the next Curriculum, Quality & Standards Committee meeting.
- 10 **Complaints/47:** It was confirmed that the next meeting of the Audit Committee would review how the Corporation should monitor complaints about the College.

CHAIRMAN'S ACTION

11. The Chair advised that he had signed Crawley College's Annual Report and Accounts and the Letter of Representation to the auditors, as had been agreed at the meeting of the 12th December. At the same meeting it had been agreed that Mike Allen should sign the same documents for Haywards Heath College; this had also been done.
12. At the request of the Finance & Operations Committee he had sent a letter to the Office of the Deputy Prime Minister, in relation to a consultation exercise about proposed changes to the Local Government Pension Scheme. He had urged that optimum flexibility be accorded to members of the scheme, without increasing the employers' costs.
13. In conjunction with the Chair of the Curriculum, Quality and Standards Committee he had approved the Self Assessment Report Action Plan for submission to the Learning and Skills Council (LSC).
14. **The Chair's Actions were ratified.**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

15. **The report was noted.**
16. The Chair and the Principal signed the letter to the Regional Audit Manager of the Learning and Skills Council (LSC) giving the Statement on Regularity, Propriety and Compliance in the form required by the LSC.

HEALTH AND SAFETY REPORT

17. Roz Beesley joined the meeting for this item, and responded to a number of questions of detail.
18. It was stressed, in relation to the plumbing industry practice of not wearing eye protection (when soldering and cleaning up pipe work afterwards), that the College should be teaching and influencing best practice in relation to Health & Safety. Furthermore, the College had a particular duty of care towards its learners while under its supervision. Roz Beesley confirmed that she agreed with this and would be taking up the matter with the relevant departmental managers.
19. It was noted, with concern that some staff were in the habit of bringing their own tools for use in the College. Roz Beesley was asked to investigate this further, with a view to introducing either a specific or a general ban on this practice.
20. It was confirmed that the campus Health & Safety Advisory Groups were working well.

Roz Beesley left the meeting at 17.32.

21. It was noted that Health & Safety was sufficiently under control for the routine requirement for the Health & Safety Officer to report in person to the Corporation to be discontinued.

REPORT OF THE CURRICULUM, QUALITY AND STANDARDS COMMITTEE

22. Martin Delbridge introduced the report, pointing out that the main substance of the meeting had been considered at the Special Corporation Meeting on the 30th January.
23. Following that meeting, he had spent time with Sue Dare, reviewing the Self Assessment Report Action Plan. This was a complex document, particularly because it had to pick up action points from the College Inspection Report, residual matters from both previous College's Self Assessment Action Plans, current individual departmental Action Plans and cross-college issues. It should be easier to follow in the future, since there would be only one College Action Plan and Self Assessment Report to reference.
24. One of the points he was exploring was how to present information in a more graphical way to make the monitoring and reviewing more accessible for Corporation Members.
25. **It was agreed that the Governance & Search Committee should consider how links could be developed between Corporation Members and departments to improve their knowledge of the curriculum.**
26. **The report was noted.**

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

27. Paul Harding introduced the report. He advised that the January management accounts, that had been produced since the Committee's meeting, did not show any significant difference from the picture presented by the December accounts reviewed by the Committee.
28. There was one significant matter that had arisen recently, which needed to be drawn to the attention of the Corporation. The LSC had clawed back some £140K in cash in relation to payments made to Crawley College for its Work Based Training. The College had exceeded its Work Based Learning contract by some £340K, but the national policy was to only fund over-achievement to 50% of its full value. The situation had been complicated by the fact that relatively junior staff at LSC Sussex had been encouraging Crawley staff from mid year on to continue recruiting, in order to help the LSC meet its 16-21 targets; furthermore Crawley College had been asked to take on learners from failing training providers.
29. There was a good case for recovering some of the money clawed back; it was judged that £100K would remain at risk. While discussions were continuing with the LSC, the College had to manage with a significant reduction in cash. It would be necessary to increase the overdraft facility to £1m and the cost of interest would rise.
30. The Principal advised the meeting that he had reviewed all the available documents, including minutes of meetings and e-mail correspondence, to establish what had happened. The thrust had been for the College to help meet the 16-21 targets, but there had been misunderstandings and no firm agreements on the associated funding. Senior managers on both sides should have become involved at a much earlier stage. The LSC had paid the full value of the over-achievement of the contract

in August; there had been no clawback when a reconciliation had been carried out in October. No prior warning had been given of the clawback that had now taken place.

31. The Principal was in discussions with the acting Executive Director of the LSC Sussex, who had immediately responded, expressing concern. He had explained that he could not alter the national policy of only funding the over-achievement at 50%, but would do everything that lay within his power locally to mitigate the impact. At present the Principal wished to continue discussions at a local level; he did not want to involve the Regional Director until or unless it became apparent that there was a need to raise the matter at a higher level. At that time it might become appropriate to involve the Chair of Corporation.
32. It was noted that the Association of Learning Providers (ALP) was mounting a legal challenge to the national policy on funding over-achievement at 50%.
33. The Principal's approach was endorsed by the meeting.
34. Paul Harding then took the meeting through the remainder of the report, drawing attention to the impact on the financial forecast of a further £100K being at risk.
35. Concern was expressed at the apparent deterioration in the cash-flow forecast since the report to the Corporation in December. There was a discussion about the timing of payments during the month, and the impact that had on a forecast prepared on the basis of the position at the end of each month. **It was agreed that the Chair of Corporation and the Chair of the Finance Committee should review the timing of payment runs and the presentation of cash-flow forecasts with the Executive Director Corporate Services, and that the management of cash would be kept under review by the Finance & Operations Committee.**
36. **It was agreed to authorise a request to the bank to increase the overdraft facility to £1.1m to ensure there was some flexibility in the management of cash.**
37. The meeting adjourned briefly to enable Corporation Members to refresh their memories of the Fee Policy.
38. **The Fee Policy for 2006/2007 was approved.**

REPORT OF HAYWARDS HEATH DEVELOPMENT PROJECT

39. Paul Harding introduced the report, giving a brief overview of progress to date.
40. The Project Team had reviewed the tender bids for a secured loan to develop Phase 1 of the Project; Barclays Bank had offered the most favourable terms.
41. The options for the Haywards Heath campus had been reviewed; relocation was not feasible because the possible alternative sites were not suitable, so doing nothing was the only real alternative to a new build. This option would incur high planned maintenance costs over 20 years (£3.2m at 2004 prices which, when discounted had a major impact on the high negative Net Present Value (NPV) for the "Do Nothing" option for the project). By contrast, the "New Build" option gave a (small) positive NPV.
42. It was important for the Corporation to recognise that there would be continuing development costs prior to the LSC's decision being known, these were clearly identified within the paper.
43. The LSC would be asked to approve the total Project in outline, and to Phase 1 in detail. The Project Team would be looking at the best way to progress the later

phases, and in particular how cost savings could be achieved by accelerating the timing of the construction: particularly for Phase 2, which it was hoped could be completed by December 2007, with the total Project being finished by January 2009.

44. It was noted that the basis for LSC support had changed; if a College could show that the level of its borrowing would reach 40% of its turnover within four years of carrying out a major rebuild project, the LSC would fund the excess.
45. Concern was raised as to how the College could afford a mortgage at 40% of turnover; members were reminded that this had been addressed at the AwayDay the previous Saturday. It would be challenging and it relied upon savings in planned maintenance, savings on the running costs as a result of the design and construction of the new buildings, and the requirements of a business excellence model to reduce overhead expenditure. On that basis, the minimum support required from the LSC to deliver the accommodation strategy (and thus the overall College strategic plan) would be a 75% contribution.
46. The meeting then turned to the recommendations. It was noted that James Moran could not vote in any of the propositions, as they involved the expenditure of money and entering into contracts by the Corporation (Section 14, paragraph 6 of the Instrument of Government).
47. It was confirmed that the College's solicitors had been instructed to advise on the contractual issues and terms involved.
48. **It was agreed to approve the outline accommodation Masterplan for the College for inclusion in the bid to the LSC.**
49. **It was agreed to approve the bid to the LSC for capital support at 75% of the total costs of Phase 1 of the whole project, budgeted at £9.4m (build cost £6.6m plus VAT), to include the Haywards Heath accommodation masterplan and financial appraisal.**
50. **It was agreed to appoint Davis Langdon as Employer's Agent and Quantity Surveyors to the College, subject to contract, LSC consent and satisfactory funding to enable Phase 1 of the Haywards Heath Redevelopment Project to proceed.**
51. **It was agreed to appoint Longley, a division of the Keir Group, as the preferred contractor, with a requirement that they submit a compliant bid within the overall build budget of £6.6m (plus VAT), subject to contract, LSC consent and satisfactory funding to enable Phase 1 of the Haywards Heath Redevelopment Project to proceed.**
52. **It was agreed to appoint Barclays Bank plc as the preferred mortgage lender, for an amount up to £9.4m, at an interest rate of 0.47% above base rate, subject to contract, LSC consent and a sufficient level of capital support to enable Phase 1 of the Haywards Heath Redevelopment Project to proceed.**
53. It was noted that costs had already been incurred as a result of Central Sussex Corporation's agreement to proceed with the project in July 2005. An upper limit had been placed on the costs for Davis Langdon of £26,400 (plus VAT) by 1st June 2006 and for Longley of £150,900 (plus VAT) also by 1st June 2006.
54. It was recognised that there may be a requirement for urgent decisions between Corporation meetings.
55. **It was agreed that Members of the Project Team review any proposed actions and that authority to take the required decisions be delegated to the Chair of**

Corporation in conjunction with the Chair of the Finance & Operations Committee and subject to the agreement of the Chair of Audit.

56. As far as foreseeable, decision-making should be delegated specifically in advance by Corporation, within identified financial and/or other parameters.
57. During the period between 13th March and 15th May the LSC may require changes to the bid; **it was agreed that authority be delegated to the three Chairs in accordance with the procedure above to vary the bid as judged appropriate.**
58. In the event that, in the judgement of the Project Team and/or the Chairs, the required changes would be of fundamental significance, an Extraordinary Meeting of the Corporation would be convened at short notice to review the implications and decide accordingly.
59. **It was agreed that authority should be delegated to accept a compliant bid from Longley that is within plus or minus 5% of £6.6 million build cost (plus VAT), subject to contract, LSC consent and satisfactory funding to enable Phase 1 of the Haywards Heath Redevelopment Project to proceed.**
60. It was noted that a more detailed paper addressing the loan arrangements would be presented to the Corporation meeting of the 15th May.

REPORT OF HAYWARDS HEATH LCB

61. Martin Delbridge introduced the report. He drew attention to the LCB's anxiety that the Corporation was looking to achieve the rebuilding of the whole of the Haywards Heath campus and not merely Phase 1.
62. The LCB had raised a concern about a drop in applications for the coming year. There had been a very open discussion of the possible reasons, and about various merits and disadvantages of the current approach to branding.
63. It was recognised that there were a number of factors that affected recruitment, and any review of the effectiveness of branding needed also to take these into account. Branding was a strategic issue and campaign had been developed under the oversight of a Marketing Working Group chaired by Mike Allen, drawing on the advice of external specialists. **It was agreed to reconvene this Working Group under Mike Allen's chairmanship, drawing on external advice as necessary, to review the strategy and advise the Corporation accordingly.**
64. The LCB had been interested to learn more about the range of the College's provision on other campuses. One particularly positive development that had been reported to the meeting was that the two student bodies were planning a joint newsletter.
65. It was suggested that, to help familiarise LCB Members with the wider facilities offered by the College, its next meeting could be held on the Crawley campus.
66. **The report was noted.**

PRINCIPAL'S REPORT

67. Russell Strutt gave a brief overview of his report, which he had circulated at the Away Day.
68. **The report was noted.**

REPORT OF THE REMUNERATION COMMITTEE

69. John Peel introduced the report, which was noted.

REPORT OF THE GOVERNANCE & SEARCH COMMITTEE MEETING

70. John Peel took the meeting through the reports of the Committee's two meetings since December.

71. The proposals for the appointment of "representative" members of Local Community Boards were considered.

72. **It was agreed that the Chair of the appropriate LCB, together with the Principal and supported by the Clerk (or Deputy Clerk as appropriate) would approach relevant individuals/organisations to seek representatives, in line with the framework for LCBs agreed by Corporation. The Chair of the Corporation should be kept informed of developments, and any firm proposals would be circulated to the Governance & Search Committee Members together with appropriate documentation (e.g. CV and Skills Matrix) either electronically or at its next meeting, for endorsement/approval of the proposed membership by the Chair of the Corporation. If any members of the Committee had concerns about any individual or organisation being proposed, no decision should be taken until the Committee had had the opportunity to discuss and decide on the proposal at a full meeting.**

73. The reports of the Committee's meetings of the 11th January and 6th March were noted. It was, however, commented that, until further appointments to the Corporation had been made, it would be better not to co-opt any further external individuals to sit on Committees.

74. **The Terms of Reference for the Remuneration Committee as recommended by the Governance & Search Committee were approved.**

75. **It was agreed to request a nomination for the vacant position of community member from the Gurjar Hindu Union (GHU).**

76. The Committee's proposals for increasing the determined membership of the Corporation were considered.

77. **It was agreed that the constitution of the Corporation should be determined as:-**

- 7 business members**
- 3 co-opted members**
- 2 staff members**
- 2 student members**
- 1 parent member**
- 1 Local Authority member**
- 2 Local Community members**
- 1 Principal**

78. It was agreed that this total number of members (19) should be the full Corporation membership. All members of the Corporation were asked to review their knowledge of any local organisations that might be appropriate as a nominating community body and to draw these to the attention of the Governance & Search Committee. It was hoped that one of these might be found from within the wider Area C, particularly Haywards Heath or Burgess Hill.

79. It was recognised that, in the light of the failure to appoint a parent member and to avoid potentially disenfranchising the new intake of parents in September 2006, no

further exercise to canvas nominations would be carried out until the Welcome meetings for new parents in Autumn 2006.

MATTERS ARISING FROM THE AWAYDAY

80. John Peel thanked everyone for their attendance and contribution to the AwayDay, which all agreed had been a great success.
The only specific matters arising from the day related to the consideration of the accommodation masterplan, which had been covered under the Report of the Haywards Heath Redevelopment Project.

CHAIRMAN'S UPDATE

81. John Peel advised that he had attended a meeting with other Sussex Chairs and Principals, which provided a useful opportunity for networking and listening to other Colleges' perspectives.
82. He had continued to attend the weekly Action for Business meetings and had also attended a meeting of the Chairs and Principals of Sussex Colleges with the Chair of LSC Sussex and the Chief Executive of the South East Region of the LSC.
83. The College had been visited by the Lord Lieutenant of Sussex.
84. He and two other Corporation Members had attended a departmental awards evening for Health Care and Counselling.

ANY OTHER BUSINESS

85. John Peel advised the meeting that he and the other five initial Corporation members had been discussing the roles and responsibilities they had, perforce, taken on with the creation of the Corporation. As more business and co-opted members were appointed, he proposed to ask the Governance & Search Committee to review the spread of responsibilities with a view to sharing the duties on a more equitable basis.

There being no other business, the meeting closed at 20.08.