

CENTRAL SUSSEX CORPORATION

Minutes of a Corporation meeting held on 15th May 2006

Membership: Mike Allen*, Patrick Berry*, Martin Delbridge (Vice-Chair)*, Mark Froud*, Michael Coughlin*, Paul Harding*, Binita Kataria, Christine McMahon*, 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, Maureen Kilminster and Nick Whitley (Clerk)

APOLOGIES FOR ABSENCE

1. Apologies for absence were received from John Peel and Sue Samson.

DECLARATION OF INTERESTS

2. There were no interests to declare.

APPOINTMENT OF NEW CORPORATION MEMBERS

3. The Governance & Search Committee had considered the nomination by the Gurjar Hindu Union of Ms Binita Kataria as a community member of the Corporation, and recommended that the nomination be approved. The Committee had also considered the merits of appointing Ms Christine McMahon and Mr Michael Coughlin as business members, and also recommended their appointment.
4. **It was agreed to appoint Ms Binita Kataria as a community member of the Corporation for a period of four years, commencing with immediate effect.**
5. **It was agreed to appoint Ms Christine McMahon as a business member of the Corporation for a period of four years, commencing with immediate effect.**
6. **It was agreed to appoint Mr Michael Coughlin as a business member of the Corporation for a period of four years, commencing with immediate effect.**

Christine McMahon and Michael Coughlin joined the meeting at 5.10 pm and introductions were effected.

MINUTES OF A MEETING OF THE 13TH MARCH 2006

7. The minutes were signed as a correct record.

MATTERS ARISING

8. **Wording of the Mission and Vision Statements/8:** The Principal advised that he would be presenting a report to the July Corporation meeting.

CHAIRMAN'S ACTION

9. It was noted that, at the request of the Policy & Planning Committee, the Chair had approved the learner numbers and success rate targets for submission to the Sussex Learning & Skills Council (LSC).

10. The Chairman's action was ratified.

HEALTH & SAFETY REPORT

11. Jenny Poore introduced the report.
12. She updated the meeting with respect to the plumbing industry practice regarding the wearing of eye protection when soldering (referred to in minute 18 of the last Corporation meeting). Having checked with the relevant professional institute and other colleges, the advice received was that best practice dictated the wearing of eye protective equipment for soldering carried out above eye-level, but not when it was below eye-level. It was considered important to restrict the wearing of personal protective equipment (ppe) to circumstances in which safe working practices required it, but not otherwise, to ensure that the significance and importance of using ppe was not devalued.
13. The three "near misses" involving working at height were noted with concern. Jenny Poore advised that a Health & Safety Executive (HSE) inspector was due to visit the College in early June and would be reviewing the College's practice in this area.
14. The accident to the four year old child visiting reception was noted with concern and the meeting expressed its sympathy for both child and mother.
15. It was noted with concern that the requirement for new staff to attend induction training when they first started work was not being fully complied with.
16. **The report was received.**

REPORT OF THE CURRICULUM, QUALITY AND STANDARDS COMMITTEE

17. Martin Delbridge introduced the report, and advised that he had asked Sue Dare to give a condensed version of the presentation she gave to the Committee.
18. He drew attention to the proposal that formal approval be given to enable the College to apply for Investors in Careers accreditation. At the time of the meeting, it was planned to do this on an incremental basis; however, following comments made at the meeting, it had been resolved that a better way would be to apply for whole College accreditation, within the same time-scale.
19. Sue Dare gave a shortened version of the presentation she had given to the Curriculum Committee. The Clerk circulated a copy of a handout; a fuller version would be sent electronically to all Corporation Members.
20. The main focus of the presentation was the engagement by the Corporation with the College's Quality Cycle. It was confirmed that the timing of the Quality Cycle enabled it to inform the budget cycle, and the development (annually) of the three year financial forecast.
21. It was noted that there appeared to be an increasing dichotomy between the responsibilities laid upon the Corporation by statute to determine the educational character (together with the strategic development of the College), and the Government's agenda for Further Education institutions, which was becoming increasingly prescriptive.
22. It was suggested that further consideration needed to be given to the role that the Local Community Boards (LCB) could play in relation to monitoring quality, including a more structured involvement in link arrangements (to be considered later in the meeting) and the Self Assessment Review process.
23. **The report was received.**

24. **The Executive was given authority to apply for Investors in Careers accreditation for Central Sussex College as a whole.**

REPORT OF THE AUDIT COMMITTEE

25. Patrick Berry introduced the report. He pointed out that the internal auditors had carried out more than half of the year's audit programme and had expressed themselves to be content with the controls in place, including those to prevent fraud. It had to be recognised, however, that there could be no guarantee that controls, however good, would eliminate all possibility of fraud.
26. The Committee had been concerned that, in some instances, audit recommendations had not been implemented despite having been accepted by management. The Committee had expressed the wish to see the relevant individual managers in person in such instances, in order to understand the reasons why recommendations they had agreed to were not being implemented. Without this, there was reason to believe that the Audit Committee did not have a sanction to follow up.
27. A discussion followed about the lines between governance and management; it was stressed that it was for the Executive to ensure that managers discharged their responsibilities. It could be appropriate for an Executive Director to be accompanied by one or more of their line reports if they considered it helpful.
28. The Principal stated that he and the College Leadership Team (CLT) took note of the Audit Committee's concerns and would ensure that they were addressed effectively.
29. **The report was received.**
30. The Chair of the Finance & Operations Committee confirmed that the auditors' recommendation that, for cheques with a value of more than £20,000 at least one of the signatories should be a member of the CLT, would be included within the Financial Regulations when they were next reviewed, in June.
31. **It was agreed that the Audit Committee should receive a termly report of complaints, analysed by outcome.**

REPORT OF THE FINANCE AND OPERATIONS COMMITTEE

32. Paul Harding introduced the report. He drew attention to the fact that the Committee had found the key performance Indicators very useful from a monitoring perspective as they gave a good picture of the College's activity.
33. The Committee had, at the request of the Executive, reviewed the Fee Policy in the light of recent legal advice about age discrimination. It had been concluded that a minor revision should be made to the policy, to ensure that it complied with new regulations.
34. The Committee had received a report on the use of the bank facility. The advice and predictions given to the Corporation by Suri Araniyasundaran had been confirmed by this report. The Corporation had focussed attention on the financial forecast in the light of the Management Accounts to the 31st March 2006; the spot figure had moved since the last Corporation meeting and was now set at a deficit of £100,000. It should be noted that there was a very small margin for error and the Committee had tested the robustness of the forecast. Essentially, the College had costs under their control, but income (and in particular tuition fees) was below what was required.
35. The Principal advised that officers of the Sussex LSC had acknowledged that Crawley College staff had been encouraged to grow Work Based Learning with an implicit promise

of additional funding. Although the clawback of £140K could not be countermanded, a mechanism had been put in place to enable the College to recover that amount during the current year. This had been incorporated into the forecast outturn.

36. The Committee had concluded that the College must develop headroom between planned income and expenditure, but it must be recognised that this could not be achieved overnight. Increasing tuition fee income would be a major challenge over the next two to three years.
37. Patrick Berry advised that the Audit Committee had asked that the Risk Register incorporate the narrowness of the margin between income and expenditure as a specific risk. The Committee would support the Finance & Operations Committee's recommendations in this regard.
38. The Principal confirmed that he endorsed the Committee's view and was looking to budget for a margin of at least £300K (1%) to allow for unforeseen eventualities and investing for the future. The key issues were to address increasing corporate income and a staffing base-line was too high.
39. **The report was received.**
40. **The revised Fee Policy was approved.**

REPORT OF THE HAYWARDS HEATH BUILDINGS DEVELOPMENT PROJECT

41. Paul Harding reported that the Principal had made an initial presentation to a sub-committee of the Sussex LSC and was due to present the formal submission to the full Council meeting on the 23rd May. From there it was planned to put the project before the National Capital Committee of the LSC on the 9th June. In principle, approval would be requested for all three phases, with detailed consent for Phases 1 and 2.
42. Recent advice from the relevant LSC officers was that the bid should concentrate solely on the Haywards Heath development, ignoring the wider College requirements. This requirement reduced the level of capital support that could be justified at this stage. The LSC officers had also recommended some changes to the assumptions used to develop the ten year financial forecast that must underpin the bid. As a result, it appeared that the bid for capital support should be set at 65%, not 75%. It was probable that there would be a compensating increase in the level of capital support that would be awarded in the future for the development of the Crawley campus, although there could be no guarantee of this.
43. It was noted that the net effect of the various changes to the financial projections was to improve the Net Present Value significantly.
44. It was noted that there was a risk that the National Capital Committee may refer the bid back to the local LSC or insist on a lower level of capital support; any delay to the approval of the project would impact on the completion date for Phase 1.
45. The Project Team were concerned that the work that had already been commissioned to ensure that the project could start on site in July needed to continue, if the tight project deadlines were not to slip. To that end, it was proposed that a further £145K worth of expenditure be committed between now and June 10th, when it was hoped that a final decision would have been made by the LSC. This would bring the cumulative value to £310K (not counting the original architects, IQS and planners' costs).
46. One of the recommended changes was to increase the forecast growth in the numbers of 16-18 learners funded by the LSC, and the rate by which the funding would be increased. In respect of the rate increase, this was consistent with other indications from the LSC. The additional growth was considered achievable. The Project Team had tested the proposition and was satisfied that it was robust.

47. It was noted that there were no guarantees that the forecast rate increases could be relied on; however the Principal pointed out that it was consistent with the thrust of the recent Government White Paper. He confirmed that demographic projections indicated some growth in 16-18 year olds over the coming eight years; thereafter there was a predicted decline in numbers.
48. It was noted that, while there was a risk associated with proceeding with the project, there was also a significant downside risk to the future of Haywards Heath campus if it was not redeveloped. Strategically, it had already been determined that this project was essential to the long-term health of the College.
49. **It was agreed that the Principal be authorised to sign an extension to the Letter of Intent to Keir Regional Limited (Kier), bringing the cumulative value of authorised expenditure to £309,739.**

Michael Coughlin left the meeting at 6.40 pm.

50. The Project Team had also reviewed the form of resolution required by Barclays Bank plc in respect of the mortgage facility, agreed in principle at the last Corporation meeting.
51. The College's legal advisers would be reviewing the detail of the terms and conditions, and the Project Team would consider their advice before finalising them. This was provided for within the required wording for the minutes.
52. **It was agreed that the execution of the Facility Agreement should be carried out by the Chair with the Vice-Chair, or Chair of the Finance & Operations Committee, and subject to the agreement of the Chair of the Audit Committee.**
53. **It was also agreed that, once the facility agreement had been entered into, the first signatory for drawing down funds must be either the Executive Director Corporate Services or the Principal, together with a second signatory drawn from the list of authorised signatories.**
54. **It was agreed to incorporate the bank's wording for the minutes as follows:-**

Bank Loan

Governors noted that:

1. **it had been agreed at the meeting on 13th March 2006 that Barclays (the Bank) had been selected as the preferred provider for the loan required for the Haywards Heath Development Project;**
2. **the facility comprises of a loan for an amount up to £9.4m at an interest rate of 0.45% above base rate.**
3. **the Governing Body was asked to consider the terms of the Facility Agreement and ancillary documents and to approve, subject to further adjustments by the Chair, with the Vice Chair or the Chair of the Finance & Operations Committee, with the agreement of the Chair of Audit of the college and on the advice of the College's legal advisers, the Facility Agreement and ancillary documents.**

Following discussion and after careful consideration of the documents it was RESOLVED:

1. **that it was in the best interest of the College to enter into the Facility Agreement and accordingly that the terms be approved and the Facility Agreement be entered into, subject to LSC consent and to further**

adjustments as recommended by the College's legal advisers and the Principal of the College;

2. that the Chair of the Board together with any other Board member (as required) in their capacity as Governors of the College, be authorised to execute the Facility Agreement and ancillary documents on behalf of the College;
3. that the Chair of the Board, or such person notified by or on behalf of the Board from time to time, shall be and are hereby authorised to act alone in all matters concerning the Facility Agreement during its subsistence;
4. that two persons shall be required to duly authorise any drawdown notice provided to the Bank under the Facility Agreement in accordance with the regulations laid down by the Board from time to time and that any of the following persons or such persons notified by or on behalf of the Board from time to time shall be and hereby are duly authorised to authorise any such drawn down notice; two of the duly authorised bank signatories, one of which must be either the Principal or the Executive Director Corporate Services.

It was further RESOLVED that the interest rate be fixed at the inception of the Facility Agreement for the full term of the Facility Agreement.

55. It was noted that Suri Araniyasundaran had negotiated exceptionally good terms with the bank and it was resolved to record the Corporation's thanks and congratulations to him.

REPORT OF THE POLICY AND PLANNING COMMITTEE

56. Mark Froud introduced the paper. He drew attention to the fact that the recent publication of the Government White Paper had confirmed that the Corporation's strategic decisions and direction were sound.
57. He drew attention to the fact that the College was facing a number of significant risks; he therefore re-emphasised the importance of building in at least a 1% margin into future budgets.
58. **The report was received.**
59. **The Marketing Strategy was approved.**

GOVERNANCE AND SEARCH REPORT

60. Patrick Berry introduced the report. He drew attention to the proposal from the Committee to carry out Criminal Record Bureau checks on all Corporation Members, in order to mitigate any risk to the Corporation and the College's reputation.
61. The proposed link arrangements were discussed. It was noted that Patrick Berry had offered to review the Finance Department and the Clerk was asked to seek advice on whether this would be regarded as best practice, given his role as Audit Chair.
62. The proposed mentoring scheme was considered and it was stressed that this was intended as a support to new Corporation Members; it was not a compulsory requirement.
63. The changes to the Instrument and Articles were noted. Jenny Poore advised that she had assisted the Clerk in updating the Procedure for Special Committees to hear appeals on behalf of the Corporation.

64. Mark Froud drew attention to initial discussions he had held with potential members of the Burgess Hill Local Community Board (LCB); **it was agreed that he should provide the details to the next Governance & Search Committee meeting to enable appointments to be formalised.**
65. **The report was received.**
66. **It was agreed that CRB checks be carried out on all existing and new Corporation members, except where the individual provides a copy of a CRB disclosure carried out within three months of the date presented.**
67. **It was agreed that Sue Samson, Krishny Nallarajah, James Moran and Mark Read be appointed as members of the Curriculum, Quality and Standards Committee.**
68. **It was agreed that Gill Marshman be appointed as a member of the Policy & Planning Committee.**
69. **It was agreed that the link arrangements be adopted.**
70. **It was agreed that the mentoring scheme be adopted, to be taken up by new Corporation members on a voluntary basis.**
71. **It was agreed that the agenda and appropriate parts of the Corporation papers (in particular Committee reports) be placed on the College web-site, within the Governance section, but excluding any items of commercial sensitivity as well as any confidential matters.**

PRINCIPAL'S UPDATE

72. Russell Strutt drew attention to the report on the Action for Business assessment, which he had just received, and provided a copy for each member of the Corporation. The report was extremely positive, and included only one suggestion in the "Opportunities for Improvement" section. This was to consider developing a Workforce Development Strategy and Plan within Employer Services, in conjunction with the curriculum Heads of Department, to address all the Employer Engagement targets. He was due to make a presentation to the final Assessment Panel on the 23rd May in order to achieve accreditation.
73. The College had been asked to lead a Train to Gain bid on behalf of the six Action for Business Colleges in Sussex, and the Sussex Training Providers. The total value of the bid would be some £3.8m, of which the College's share in the delivery currently stood at £250K.
74. The Principal drew attention to the Area C Learning & Skills Partnership Board, which held its inaugural meeting on the 24th April.
75. The College had been inspected by the British Council in respect of its provision for international students; this had gone well.
76. The Principal circulated a confidential paper containing proposals for organisational development, building on the principles discussed at the AwayDay on the 11th March and taking into account Corporation Members' views expressed at that time. He explained that he wished to commence a consultation exercise with staff on 24th May to introduce the proposals.
77. This would also form a major item on the agenda for the Policy & Planning Committee on the 25th May.

78. **It was agreed that the paper must be held confidential until the 24th May. Members of the Corporation would review the contents of the paper urgently and raise any matters of concern directly with the Principal as soon as possible, prior to the 24th May.**
79. There would be further opportunities for discussion at the Finance & Operations and Policy & Planning Committees, with a view to formal proposals for action being presented to the Corporation on the 10th July, when the results of the consultation with staff would be available.
80. The Principal then circulated a paper containing information about the Association of Colleges (AOC) pay recommendations.
81. **Following discussion it was agreed that the meeting of the Policy & Planning Committee scheduled for the 25th May should become a joint meeting of that Committee with the Finance & Operations Committee, at which both Organisational Development and the AOC pay recommendations would be considered. All members of the Corporation were encouraged to attend this meeting, to enable a wide discussion and consultation to take place.**
82. **The report was received.**

CHAIRMAN'S UPDATE

83. Martin Delbridge informed the meeting on behalf of the Chair, that the main focus since the last meeting had been supporting the College in preparing for the Action for Business accreditation and seeing potential Corporation Members (three of whom had been appointed at the beginning of the evening).
84. The meeting expressed its thanks to John Peel for his considerable and effective input.

ANY OTHER BUSINESS

85. A briefing on the Gatwick Diamond was requested.

There being no other business, the meeting closed at 8.00 pm.