

**MINUTES OF THE
CORPORATION MEETING**

HELD ON WEDNESDAY 10th JULY 2019 AT 6.00 P.M. in ROOM 5

MEETING 18/05

Present: Jane Alderton, Ayas Fallon-Khan, Jane Farrell, Philip Harland, Paul Herridge, Ethan Hilton, Dawn Howard, Izzy Langhamer, Simon Lindfield, Cathy McDonnell, Janice Robinson, Katharine Travis, Aldona Wheeler

In Attendance: Elaine French, Donna-Marie Janson, Louise Pennington

Apologies: Randall Anderson, Billy McNally, Richard Seager, Simon Waters, Peter Bailey

In the Chair: Janice Robinson

1. Welcomes and Apologies for Absence

Apologies – as recorded above.

2. Declaration of Interest

None recorded.

3. Minutes of the Meeting on 15th May 2019 Part I

The minutes of the Meeting were approved by the Corporation and the Chair was authorised to sign these as a correct record of the meeting. **ACTION: Louise Pennington**

4. Matters Arising and Action Points – Progress Report and Significant Risks Schedule

The following updates were recorded:

- **GDPR** – Elaine French confirmed that a training session would be given to Staff next week, following which the final work to produce the retention policy and records would be prepared. A report will be given to Governors via Audit Committee once the exercise has been completed. **ACTION: Elaine French**
- **Capital Works Noise Management:**
- Capital Work Noise Management – Elaine French advised that a meeting with the contractors/Project Manager had been held on 20th June to discuss the details, noting that overall noise management had been well-managed, apart from a couple of complaints during the examination period.

It was noted that the action schedule would be updated to reflect any changes detailed above. **ACTION: Louise Pennington.**

SIGNIFICANT RISKS 2018/2019– the Corporation noted the risks for 2018/2019.

5. Chair's Report

a) Membership Matters Principal's Report

Janice Robinson updated Governors on various membership issues and sought approval regarding new appointments as follows:

- **Jane Alderton** – resignation with effect from 31st July 2019. Thanks were recorded to Jane for her valuable service to the College. It was noted that with effect from 1st August 2019 there would be an external Governor vacancy and Chair of SPH Remuneration Committee and member of the Principal Recruitment Panel.
- **Randall Anderson** – retirement with effect from 31st July 2019. Thanks were recorded to Randall for his long and valuable service to the College as a Governor, Chair of Audit Committee and Risk Group and member of the Remuneration Committee and Principal Recruitment Panel. It was noted that with effect from 1st August 2019 there would be an external Governor vacancy and Chair of Audit Committee and Risk Group, together with membership of the Remuneration Committee and Principal Recruitment Panel.
- **Remuneration Committee and Principal Recruitment Panel** – on the recommendation of the Chair and with agreement of the Governors concerned, it was resolved that Katharine Travis and Ayas Fallon-Khan should be appointed as members of the Remuneration Committee and Principal Recruitment Panel with effect from 1st August 2019. **ACTION: Louise Pennington**
- **Richard Seager** – term of office due to end 31st December 2019 and it was resolved that subject to the agreement of Richard Seager, he should be reappointed as a Governor with effect from 1st January 2020. **ACTION: Janice Robinson/Louise Pennington**
- **Peter Baker** – it was resolved to reappoint Peter Baker as a co-opted Member of the Audit Committee with effect from 1st August 2019. **ACTION: Louise Pennington**
- **2 External Governor vacancies:** Bearing in mind the resignation and retirement recorded above, Janice Robinson circulated a Governor advert leaflet and asked Governors to pass this on to any contacts which they thought would have the skills listed and be willing to take on the governance role. She also agreed to send a copy of the leaflet electronically. **ACTION: Janice Robinson**

6. Principal's Report

Governors were informed that the appeal regarding the planning application in respect of the plot of land sale, was expected to be ready for submission within the next 2 weeks.

a) Annual HR Report 2018-2019 and Staffing Update

Philip Harland presented the Report and the following points were noted and questions raised:

- The report was presented to Governors at a previous meeting but without the new section relating to Staff absenteeism and SLT thought it useful for Governors to see the updated version of the report and reminded Governors that this had been discussed at a previous meeting.

- Recruitment section sets out the number of applications received per post and a similar report was issued last year. In comparison this year has seen an improvement in the number of applications received per role, but certain posts have been more difficult to appoint with fewer applications.
- Staff well-being – in next academic year the theme for Staff development will be “kindness”. The theme will also be a focus for Students next year via the tutorial programme and Student mentors are being given mental health training and will be working more closely with the tutorial teams next year too.
- Bearing in mind the significant increase in the number of Students with mental health issues, there has been a citywide survey to determine issues affecting Staff having to support Students with mental health issues.
- In response to a question from governors regarding the Staff leavers, Philip Harland confirmed that broadly the College would be increasing FTE marginally via an increase in the number of fractional posts only.
- Governors queried the lower percentage of full time teaching staff in light of the anticipated increase in Student numbers for next year to approximately 1,700 and whether the advertisement of fractional posts restricted applicants and SLT explained the recruitment process at the College and confirmed that they were aware that certain posts needed to be advertised on a full time basis to ensure that sufficient good candidates were interested in certain roles. At the same time the current funding crisis in the sector was also noted and the impact this has had on the College’s management of the budget and particularly the staffing costs’ element and the difficulty meeting the target staff ratio with no increase in funding per student (£4K) year on year since 2010. SLT’s priority has been to balance the management of the staff costs’ ratio as effectively as possible by adjusting the hours of the significant proportion of part time Teachers, whilst at the same time ensuring the continued deliverance of good quality teaching and adequate succession planning through its programme of training for Teachers, Assistant Heads of School and Heads of School etc.
- Noting the age profile of the Staff where the majority are higher up the pay scale, SLT confirmed that last year the College had appointed 2 NQTs.
- Gender pay gap is 0.05% - not significant. In response to a question from Governors, Philip Harland confirmed that the College had completed a detailed analysis of pay to ensure that the College was compliant with legislation and current guidance. SLT agreed to provide additional analysis in the next gender pay gap report regarding part-time staff. **ACTION: Philip Harland**
- The College offers flu vaccinations to Staff in the Autumn Term (up to 100 vaccinations offered) and these are always fully booked and despite this it was noted that sickness owing to coughs/colds and flu had increased this year. It was suggested that further consideration should be given to implement additional preventative measures such as anti-bacterial gel, improving ventilation and ensuring that phones and computers are regularly cleaned with alcohol wipes etc. SLT agreed to investigate this. **ACTION: SLT**
- Absence owing to stress and anxiety has reduced over the year.

It was resolved that in future the HR Report should only be presented to Governors once per year in the Summer Term. **ACTION: Philip Harland**

b) Annual Report on Complaints and Compliments 2018-2019

The contents of the Report presented by Philip Harland were noted by Governors and the Principal reminded Governors that the complaints listed comprised those which had not been resolved by other Staff.

Following a suggestion from Corporation regarding compliments received, SLT agreed to consider incorporating anonymous testimony on the website in future. **ACTION: SLT**

c) Benchmark Data Report

Philip Harland introduced the Report which incorporated an extract of some of the data based on SFC financial information; the full report incorporating all FE Colleges was issued by the ESFA in the Spring Term.

The SFC sector has diminished significantly with there being 59 SFCs at present following the merger and/or academisation of others. SFC performance shows that Varndean College is well-placed within the sector, having an additional 105 Students last year (unfunded in the year owing to lagged funding arrangement).

One of the most significant issues for the remaining SFCs following a reduction from 96 to the current 59 as a result of mergers and academisations, with more likely to follow since the Department for Education offered incentives for a second waive of academy conversions.

Varndean College is also less reliant on ESFA (Government) funding than many other Colleges, owing to its International Student numbers and Adult Education.

Average Student numbers per Staff does not exclude adult education students as the national data incorporates Student numbers as a whole. If the Governing Body would like to see this analysis, SLT would have to prepare this aspect, separately.

Following an observation by Corporation regarding the EBITDA (earnings before interest tax depreciation and amortisation) score, it was noted that the analysis for this had been included in the wrong area and Philip Harland agreed to revise this. **ACTION: Philip Harland**

Following a request from Governors, it was also agreed that future reports should include brief explanatory notes to assist Governors' understanding – "therefore/so what does this mean" etc) and also include information regarding comparisons with the previous year's key outcomes. **ACTION: Philip Harland**

7. Student Governors' Report

Ethan Hilton and Izzy Langhamer gave the following update to Governors:

- SU Away Day was held last Thursday
- In past few weeks the SU has focused on preparing for the new A1 Students' Day and the organisation of events to calendar for this year.
- Other events this term – well-being and enrichment fayre and end of year party.
- SU visited Collyers last week with other S7 Colleges' SU. Feedback regarding the Varndean College SU Executive members was very favourable.

- A1 Students' Day – SU made an effort to ensure that its members were visible with a stand and an opportunity for new Students to ask questions and get involved.
- SU has put up posters around the College advertising the new NUS Totum card which offers various discounts etc for Students.
- The SU Executive members' photographs and other details has been updated outside the College's canteen.
- Plans to improve tutor time have develop following liaison between SU Executive members and Donna-Marie Janson, with working party discussions. The proposals for revising tutor time next year include a two weekly cycle of tutor group/1:1 sessions in order to better cover aspects which Students have highlighted including wellbeing issues and higher education matters etc.

8. Curriculum and Standards – Child Protection and Safeguarding Report

Donna-Marie Janson presented the paper to Corporation and the following points were noted:

- Page 44 - summary of key items
- Vulnerable learners at risk are identified by College Staff and the numbers have increased from 422 to 546 this year with 768 safeguarding referrals having been made (NB in some cases some of the referrals relate to the same Student).
- Staff time in dealing with child protection and safeguarding issues has increased, together with the need for on-going Staff training and support. The College is working with an outside agency to take forward training aspects and has also initiated a programme of Student ambassadors in respect of child exploitation (currently 2 Students).
- CAMHS (Child and Adolescent Mental Health Services – NHS services which assess and treat young people with emotional, behavioural or mental health difficulties) – it was noted that the number of child protection plans have increased by 50% in the last year too. There have also been increased problems associated with County Lines (where criminals expand their drug networks via child exploitation); issues are often reported initially via the College's feeder schools and the number of child protection plans may have increased specifically owing to a County Lines association. In response to a question from Governors, SLT explained that Varndean College has a greater number of vulnerable Students with mental health issues/plans etc than other local Colleges and it seems that there's a tendency for social works to refer prospective Students to Varndean College owing to their respected reputation in providing support to vulnerable Students.
- It was recognised that there were likely to be many other vulnerable Students who have not been identified as such and who have also not disclosed that they have any mental health issues.
- Katharine Travis (Lead Safeguarding Governor) reported on the recent excellent conference on the topic of "Protecting Young People Against Radicalisation and Grooming on the Internet which she attended; this was organised by Ayas Fallon-Khan along with Creative Exchange via the Heads-Up Project. She confirmed that she'd be discussing the details with Donna-Marie Janson next week at their Safeguarding Meeting. However in summary she reported that the common strand was the vulnerability of young people regardless of background and often related to a

crisis of identify and a desire to belong. The emphasis at the conference was educating Students in order to build their resilience and ensure that they are aware of coercive activity etc.

- Ayas Fallon-Khan said that he'd attended a recent seminar in London regarding County Lines, lead by the Head of British Transport Police and suggested that the College may be interested in seeking his input regarding training for the College. He agreed to pass the contact details to Donna-Marie Janson. **ACTION: Ayas Fallon-Khan**
- Regarding other help and support, Donna-Marie Janson informed Governors that the College now had additional part time support from an Occupational Therapist who provides support for some of the College's high risk vulnerable Students and works with them using various techniques such as Cognitive Behaviour Therapy.
- As reported previously the college has also been given 1.5 days per week from an outreach co-ordinator who provides guidance to College Staff in managing vulnerable Students' casework; this is a pilot initiative established in Brighton and Hove for all local Colleges and Schools.
- In response to a question from Governors regarding comparison data for the 768 referrals, SLT explained that the College's systems were revised last year so only hard copy files are available for previous years.
- Philip Harland reported that he had shared the analysis and particularly the increase in vulnerable Students at Varndean, with local MPs during a recent meeting and they had been shocked to hear the significant increase in the number of cases and level of interventions required by Staff. The MPs agreed to investigate whether further assistance and funding could be made available to help support the College.
- Governors queried whether the increase in Students with mental health issues had affected the College's Student retentions and outcomes and SLT confirmed that this did have an impact but that SLT made decisions based on what was in the best interest of each Student even if that means they cease their studies.
- Following a request from Governors, it was agreed that in future the report should include an analysis of pre-known and new cases in respect of College students.
ACTION: Donna-Marie Janson
- Donna-Marie Janson explained to Governors the on-going training in place for Staff dealing with Students with various issues, noting that there was another inset day scheduled for October on the subject of trauma in young people. Governors noted the willingness of Staff to make interventions based on their training and subsequent confidence to take the appropriate action and support.
- In response to a question from Governors regarding the processes in place to deal with an incident across the College's estates and it was noted that any safeguarding alert would be sent immediately to Donna-Marie Janson, the College's Safeguarding Lead, but noting that the College had not gone as far as installing panic alarms or other alternative options. It was noted that SLT was investigating ways to improve processes.
- Following a request from Governors, it was agreed that when the next report was discussed with Governors, the nature of mental health issues, would be included.
ACTION: Donna-Marie Janson

9. Finance

Elaine French presented the following papers to Corporation and drew Governors' attention to the key points detailed in the Executive Summary and provided further context.

a) **Financial Plan 2019-2021**

- Reference was made to the Finance Working Group (FWG) draft minutes reflecting the discussions and recommendations made by the Group.
- Budget – reference was made to the FWG draft minutes and the budget appendices within the papers.
- The budget for next year, projects a financial health score as “good” based on 190 points.
- Projected current ratio for next year is 1.2, compared with 1.3 this year, reflecting the impact of the capital project.
- EBITDA (earnings before income, tax, depreciation and amortisation) – remains under 4% next year, based upon funding of 1,668 Students this year and aiming for 1,720 next year. Governors were reminded about the lagged funding arrangement regarding additional Students recruited above the figures agreed with the ESFA. The increase in Student numbers will place additional pressure on Staff, particularly whilst the new STEM centre is being built.
- A 1% pay award has been budgeted for next year.
- In response to a question regarding the allocation of new Principal recruitment costs, Elaine French confirmed that this would be allocated once the financial year end work has been completed and that there was flexibility to allocate between the current year and next year.
- Elaine French answered the Governors' question regarding Access course funding and explained that any savings on teaching costs associated with Access, would be used to contribute towards any increase in Teaching Staff costs in light of the projected increase in Student enrolments.
- Examination fees, examinations costs are over by £30K
- Governors queried the financial health score of 190, noting that it was close to the lower margin of “good” between 180 and 200. It was reported that owing to lagged funding and the fact that the funding rate had not increased since 2010, it would be difficult to move this above 190. It was explained that it was better for Colleges to focus on following the financial plan, rather than aiming to increase the score itself.
- At this point Governors were informed about financial issues facing other Colleges in the sector which may place pressure on the ESFA encouraging further mergers.
- Appendix 5 Sensitivity Analysis - was not included in the meeting papers as Elaine French was still working on this, but it will be part of the financial plan to be submitted to the ESFA once approved. Elaine French explained the sensitivity analysis parameters which she had applied and identified the flexibility available in the budget next year to ensure the College retains its “good” financial health status. She agreed that the College would need to follow the budget very carefully next year as there was very little room for manoeuvre to retain the “good” status.
- In response to a question from Governors regarding the land sale and timing of this should the planning appeal be granted, the time required (6 months) to offer Green

Varndean first option on purchase and also account would need to be taken of the ecology conditions (2 year condition).

The Corporation approved the Financial Plan including the Budget. **ACTION: Elaine French**

b) Management Accounts 2018-2019 – Period 10

- At this stage in the year the figures have largely stabilised and Elaine French confirmed that she expected the figures to remain unchanged when she next presents the accounts to Corporation in the Autumn Term, apart from the pension adjustment, the latter of which will be adjusted once the final notifications have been received from the ESFA.
- Surplus is £105K
- Summary schedule of variations was noted and Elaine French highlighted the fact that although Staff pay was slightly higher than budgeted, the College's income had increased too, owing mainly to additional International Student income.
- Governors were reminded about the impact of the on-going leasing accounting adjustments.

The Corporation noted the Management Accounts.

c) Draft Minutes from Finance Working Group (CONFIDENTIAL) 10th June 2019

Simon Lindfield presented the Draft Minutes to Corporation and the contents of the minutes were noted.

d) Property Matters and Capital Build Update - confidential business

Owing to the confidential nature of the business, it was resolved to move the minutes for this item to the confidential minute record.

e) Financial Regulations/Business Procedures – changes only - approved

.ACTION: Elaine French

The final version will be uploaded to the website once approved by Corporation. **ACTION: Elaine French**

Business procedures – had purchase limits unchanged for year so revised this upwards re quotes and materiality number of quotes.

The housekeeping changes which had been considered at the FWG, were noted and endorsed by the Corporation. However following a proposal from Elaine French regarding the College's tender process and size of contractors, it was agreed that further revisions should be made and brought back to Corporation for approval. Elaine French also made reference to various points raised by Richard Seager such as value for money processes and along with the possibility of merging both documents, it was resolved that a further report and recommendations should be made in the Autumn Term. **ACTION: Elaine French**

10. Audit

a) Draft Minutes from Audit Committee 24th June 2019

The contents of the draft minutes were noted by the Corporation, along with the various recommendations for Corporation approval. The following approvals were given by Corporation and various comments made, are detailed below.

b) Internal Assurance Strategy and Plan 2019-2020 – approved

It was noted that the internal assurance focus will be upon learner numbers, funding/core financial systems together with a recommendation from the Audit Committee that a further area would be agreed at the Autumn Term Audit Committee. There will also be a GDPR advisory audit in addition to the usual programme of audit work which although will result in an additional charge, was thought important to take forward.

c) Performance Review for Internal and External Auditors – approved

Elaine French explained the issues experienced by the Finance Team this year arising from the Internal assurance work which were reflected in the scoring. Having discussed the matter with the Audit Committee and based on their recommendations, Corporation resolved to continue with the current Internal Auditors but that a procurement tender process would be initiated next year. In the meantime it was also noted that Elaine French had discussed the problems with the Internal Audit Team.

In response to a question from Governors regarding the new catering contract, it was noted that although the contract was for a 5 year period, there was a review period after 3 years.

d) Reappointment and Remuneration of Auditors – approved

External Auditors (Mazars) - £12K plus VAT, although Elaine French advised that she would be meeting with the Auditors to adjust the fee for any potential inflationary costs.

Internal Auditors (Mazars) – £9K plus VAT, being the same as last two years, plus an additional one off charge for the GDPR advisory audit work.

e) Risk Management Reports – noted and approved as recommended by the Audit Committee (refer Audit Committee draft Minutes)

- i) Action Plan
- ii) Corporation Assurance Map
- iii) Risk Register
- iv) Draft risk Management Group Minutes 7th May 2019

11. Search and Governance Committee

a) Draft Minutes from S & G Committee held on 24th June 2019

b) Governing Body Documentation: Corporation Standing Orders and Corporation Committee Structure and Procedures – refer minutes (complete documents available on request).

Reference was made to the draft minutes and the report given above within the Membership item above.

Letter FE Commissioner – it was noted that the letter and enclosure had been circulated to all Principals and Chairs and contained advice and information about lessons learned by the Department for Education when investigating Colleges which had experienced financial difficulties and to ensure that Colleges were on track as early as possible to identify any financial issues quickly. The various recommendations were considered by Corporation and in particular note was taken regarding advice to ensure budget forward planning.

At this point it was also noted that there would be changes in the financial regime required by the ESFA with financial forecasts required for the next 4 years, with a change in submission date from July to January, with the last July submission being July 2019. There will also be a greater emphasis on focusing upon cash flow over the year, with a month by month cash flow required with effect from January 2020, for the current and following year..

It was resolved to circulate the letter and attachment to all Governors. **ACTION: Louise Pennington**

12. Policies and Other Documents – approved – notes/comments below

In response to a question from Governors, it was noted that policies were available on line via the website (General College policies and those relating to Students) and others on the College's Intranet. It was agreed that "related policies" section should be included where relevant at the end of all policy documents. **ACTION: SLT**

a) Charging Students and Financial Support (Fees and Charges)

- Policy was re-written in order to improve clarity of wording throughout.
- Following request from Governors, it was agreed that the wording should be revised to make reference to "public" examinations. **ACTION: Donna-Marie Janson**

b) Student Bursaries and Free College Meals

- Amended to reflect reference to specific funding and reformatting revisions.

c) Admissions 16-18

- Minor housekeeping revisions regarding subject offers with respect to requirements for Science based choices.

d) Admissions 19+

- Minor changes on pages 138 and 139 with respect to terminology.

e) Safeguarding

- Revisions mainly reflect changes in personnel and to ensure the policy is fit for purpose reflecting Ofsted requirements.
- Additional Support Department has been restructured with a full time member of Staff who has also been appointed as the Designated Safeguarding Deputy Lead

f) Child Protection

As above.

g) Prevent Action Plan Review of 2018-2019

Donna-Marie Janson presented the Report and informed Governors that this was a new document, preparing initially following last year's Ofsted Report. SLT will keep the document under review with updated reports prepared and comparisons made with previous years.

On the final page (page 164) – review of College Security – it was noted that this issue was being worked on by SLT and account will be taken of the Department for Education's new guidance on College security and safety procedures including guidance on lock downs; once the final guidance has been issued by the DfE, the College will take the action forward. Katharine Travis and Donna-Marie Janson will also be discussing this matter when they meet next week, including such aspects as DBS checked lanyards for visitors on site, coming in via Reception. **ACTION: SLT**

Work has also been taken forward with the local Prevent Officer on training needs for Heads of Schools on radicalisation and County Lines issues; a new action plan will be in place for September 2019, based primarily on site security. Access controls are also being implemented across the site over the Summer.

h) Staff Development Annual Report 2018-2019 – noted by Corporation.

The following comments were made:

- A record of all Staff Development activities undertaken over the year.
- Improvements have been made in tracking Staff attendance.
- The line Managers (Heads of School) monitor CPD for Teaching Staff and review these with individual Staff members via the annual Professional Development Review process.
- For part-time Staff it can be more difficult to manage training but broadly where training is compulsory, all Staff are expected to attend e.g. Safeguarding training.

13. Date of Next Meeting

Wednesday 9th October 2019 at 6.00 p.m.

14. Any Other Business

IB Results – although the analysis of results is still to be completed, SLT informed Governors that several Students had achieved in excess of 40 (out of 45) points with the majority

achieving their first place University choices. Governors passed on their congratulations to Students and Staff regarding the results.

15. Confidential Business – refer to separate confidential minutes

a) Part II Corporation 15th May 2019 (2 versions i) external Governors and ii) Staff and Student Governors and SLT

Owing to the sensitive nature of the confidential business, it was resolved that the Staff and Student Governors and SLT members should leave the meeting at this point. The meeting remained quorate.

The minutes were approved by the Corporation and the Chair authorised to sign these.

ACTION: Louise Pennington

b) Minutes from SPH Remuneration Committee, 15th May 2019 for information noting verbal report given at 15th May 2019 Corporation meeting - noted

Reference was made to the minutes from the last Corporation meeting at which Janice Robinson gave a verbal report following the SPH Remuneration Committee meeting.

c) Recruitment of New Principal – Update including report from Recruitment Panel meeting held on 3rd July 2019.

Refer to confidential Part II minutes.

16. Enclosures – Meeting schedule for 2019/2020

The dates were noted by Governors who agreed to put the relevant meeting dates into their diaries for the next academic year.

Chair.....

Date.....

Louise Pennington 10/07/19