

**MINUTES OF THE  
CORPORATION MEETING**

**HELD ON WEDNESDAY 5TH JULY 2017 AT 6.00 P.M.**

**MEETING 16/06**

Present: Jane Alderton, Randall Anderson, Ramy Danial, Ayas Fallon Khan, Jane Farrell, Philip Harland, Simon Lindfield, Lucy MacDonald, Cathy McDonnell, Janice Robinson, Zenobia Thomas-Atkin, Aldona Wheeler

In Attendance: Jill Arnold, Peter Bailey, Elaine French, Louise Pennington

Apologies received: Robert Bridges, Billy McNally, Anton Pruden, Richard Seager, Katharine Travis

In the Chair: Janice Robinson

The meeting was quorate.

The meeting commenced with a 20 minute Safeguarding Training Update given by Sue Hirschler (Deputy Designated Staff Safeguarding person at Varndean), followed by questions.

**1. Welcomes and Apologies for Absence**

Apologies – as recorded above.

Welcomes – Ramy Danial and Zenobia Thomas-Atkin

**2. Declaration of Interest**

None recorded.

**3. Minutes of the Meeting on 17<sup>th</sup> May 2017 Part I and Part II (Confidential)**

The minutes of both the Part I and Part II minutes (Part II - 2 sets) were approved by Corporation and the Chair authorised to sign these as a correct record of the meeting.

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

The contents of the action points' schedule were noted and the actions completed were recorded.

Regarding the Apprenticeship Levy action, Philip Harland advised that he would be including this within his Principal's Report as a verbal update.

The action schedule will be updated to reflect any changes accordingly for the next meeting.

**ACTION: Louise Pennington.**

**5. Chair's Report**

Janice Robinson advised that there were no specific items to include within her Report on this occasion.

## 6. Principal's Report

Philip Harland gave his report to Governors on the following items:

General Comments:

- i) Apprenticeship Levy (from Matters Arising): work is progressing to determine whether the College should participate in the Apprenticeship offer and Philip Harland explained some of the issues e.g. Colleges are unable to use contributory level to support the apprentices, so there would be additional expenditure needed in the budget for this; further investigation is also needed to see whether the College could provide sufficient training. A paper will be brought to Corporation once the initial investigative work has been completed. **ACTION: Philip Harland**
- ii) NSP9 Teaching Allowances **CONFIDENTIAL – It was resolved to transfer this to the Part II minutes owing to the sensitive nature of the discussion.**
- iii) Strike Pay – Governors were updated on the outcome of a recent Supreme Court ruling against all SFCs confirming that they were required to reimburse staff who had had strike pay deducted at the level agreed by the SFCA at the time, being 1/260<sup>th</sup> (representing 5 day working week) for each strike day, instead of 1/365 ((7 day working week). Hence all SFCs will have to calculate and refund the additional amounts deducted in line with the ruling. It was noted that the SFCA was considering reaching a standard allowance per staff member to assist Colleges, in agreement with the Unions, although each College may wish to calculate individual staff repayments themselves, taking into account number of strike days, tax and pension adjustments.
- iv) The Corporation was informed that around £200M of the Department for Education's Sixth Form budget had been left unspent owing to the fact that some Colleges had dropped courses or extra-curricular activities owing to funding cuts. As a consequence the SFCA was urging the Department for Education to ensure that the under-spend finds its way back to those Colleges and Schools in time for the next academic year. (calculated to be approximately £135 per sixth form student).
- v) College appeal re CIF bid – outcome remains outstanding but Governors will be informed as soon as a response has been received.

### a) Staffing Update (Matters Arising Item)

Philip Harland presented the paper prepared by Emma Rich (HR Manager) and summarised the key points within the Report, following by questions from Governors.

### b) Annual HR Report 2016-2017

The content of the Annual Report prepared by Emma Rich was noted and the Corporation agreed that following suggestions in response to previous reports, the format of the document had improved providing more meaningful information to Governors. However referring to page 22 of the papers, it was suggested that it would be useful to have a table of information, along with the pie-chart already included for the ethnicity analysis

to assist Governors in interpreting the changes over the two academic years given.

**ACTION: Philip Harland**

Referring to the age profile included on page 21 of the papers, the College's low turnover was discussed including the impact upon overall Teaching Staff costs.

Page 24 Recruitment analysis – Governors queried the low applicant count in respect of two particular appointments – Computer Science Programme Leader and Geography Tutor. Jill Arnold explained that the former related to mid-year recruitment process, where fewer candidates are expected; however SLT confirmed that it was very happy with the individual appointment. The Geography appointment was a very small fractional post which was taken up by an existing member of staff.

Pages 19 and 20 – in response to a question regarding the FTE calculations on page 20, Philip Harland explained that the figures may not take into account all staff such as part time cleaning staff (including students), invigilators and/or Adult Education Teachers. It was agreed that in future Reports, an explanatory note should be included with the figures to explain the relevant constituents or any exclusions/reasons why etc. **ACTION: Philip Harland**

Regarding the sickness log charts on pages 6-31, further clarification was requested in future reports regarding the average per term and the coding used. (Blue coding is the average over time and the brown coding is the current term stated). The Corporation noted that the HR Department would be doing more investigative work to determine cause for some sickness issues such as back problems, to ensure that it doesn't relate to any on site issues.

In response to a question from the Corporation regarding the differences between anxiety, stress and depression, Governors were advised that often the staff had self-diagnosed, unless caused by longer term sickness absence which meant that it would not give any further clarity to Governors to report each item separately.

At this point Cathy McDonnell joined the meeting.

Thanks were recorded to Emma Rich for her HR Reports.

c) Annual Report on Complaints and Compliments 2016-2017

The Corporation noted the annual Report, noting in particular the change in overall complaints in 2015/2016 (15) to 2016/2017 (4) and Philip Harland explained that this was partly owing to the fact that the College has changed its reporting mechanisms. He explained that in the past, all complaints were received and co-ordinated via the Principal's office, but that following problems with managing complaints, with many being handled directly by the Principal, a revised Complaints Policy had been introduced to ensure that the Principal was only able to become involved at the Appeal's stage. The new process requires other members of staff to become involved at the early stages, without reverting to the Principal for input.

At this point reference was made to the Report given at the last meeting regarding a Complaint Appeal process and it was noted that the ESFA had issued its response to the complainant and copied this to the College. There was no further action for the College to take and it also endorsed the action taken. Governors were informed that the complainant

had now taken the matter to the Centre for the IB in Singapore which had requested details of the case from Varndean; an e mailed response has been made today.

d) Staff Development Activities Report 2016-2017

The contents of the Report issued by Jill Arnold were noted and in response to a question from Governors, she confirmed that Teaching staff were required to do a minimum of 5 days of general training per academic year in addition to any specific training relating to Staff members' responsibilities. She highlighted two particular developments this year, being the training offered by S7 Colleges (which the College has recently joined) and in house training from the College's IT Department e.g. google documents etc.

e) Other

## 7. Student Governors' Report

Ramy Danial and Zenobia Thomas-Atkin gave the Student Governors' Report noting the following:

- Student Union attended S7 Group meeting with other Colleges' Student Unions for a very useful training session which has given the SU Executive confidence to deal with their various responsibilities including event management.
- SU Office in Canteen – the furniture in the room has been re-ordered to create space for Students to visit if they have questions etc. for the SU Executive. A timetable will be issued to Students next academic year for them to visit the Office to raise any issues/concerns etc.
- New SU officially launched with the first meeting recently, to give information to Students about future plans.
- On site Fresher's Event will be organised for the first term of the next academic year.

## 8. Strategic Plan

Philip Harland introduced the proposed new Plan and explained the reasons for the revised format and content:

- Summarised the outcomes from the Strategic Planning Event for Governors and Managers in the Spring Term, which have fed into the new Plan, as recorded in the paper's Executive Summary.
- The Plan has been simplified significantly into an A4 sheet, incorporating Public Value Statement, Mission, Core Values and Strategic Aims.
- Focus upon the Plan's strategic aims will be incorporated into the College's annual Self-Assessment process and once the annual process has been followed, the CDP - College's Development Plan (operational plan) will be finalised including specific objectives to take forward over the next year. The CDP will be presented to Governors for approval at its December 2017 Meeting. Following this the road map generated will be reviewed by Governors on a termly basis. **ACTION: Philip Harland**
- Once the Plan has been approved by Governors, a consultation process with Staff will be initiated.
- In response to a question raised by Governors, Philip Harland confirmed that once the Self-Assessment process has been completed and the resulting College

Development Plan prepared and approved with the specific objectives for the forthcoming year, the timescale would in fact be for a minimum of a year (i.e. reviewed in the following December Corporation meeting), but the timescale could be revised at a later date to a 2 year schedule if preferred.

- It was also requested that the 5 Strategic Aims should be placed on a card and circulated to Governors for ease of reference. **ACTION: Philip Harland**

In conclusion the Corporation thought that the Strategic Aims were ambitious and aspirational with a strong focus upon Students and the Plan was endorsed, noting that Philip Harland would take this forward with staff. **ACTION: Philip Harland**

## **9. Curriculum and Standards**

Jill Arnold and Philip Harland presented the papers to the Corporation and the following points were recorded:

### **a) Child Protection and Safeguarding Report**

Jill Arnold introduced the annual Report referring to the points in the Executive Summary and also referring to Sue Hirschler's training Safeguarding Training update given at the start of the meeting. The following additional points were recorded:

- Governors were reminded that Katharine Travis, the Lead Safeguarding Governor was part of the College's Safeguarding Team which meets regularly to discuss Safeguarding matters and it was noted that all the Team members had already received this annual report, together with an anonymised detailed student record.
- In response to a request last year by Corporation, Jill Arnold has included details about staff de-briefing support provisions.
- The change in reporting compared to last year was noted i.e. that although the numbers this year on record have appeared to reduce from 197 to 142, this mainly reflects the fact that only students who have had an intervention, have been included.
- 107 of 142 Students this year have an external key professional working with them e.g. social worker and 41 have been classified as the most serious category where these students have had involvement with B & H multi-agency safeguarding hub/Prevent or Social Services, compared to 11 in 2015/2016. Jill Arnold also explained that where students have been referred by the College to Social Services, in many cases, they have then re-referred these back to the College to action.
- Of the 142 Students on record, just under 90% are likely to complete their courses and achieve their qualifications.

### **b) EQR on Core Studies**

For the benefit of new Governors, Jill Arnold explained the collaborative arrangement in the South of England involving 24 Colleges. The Corporation noted the contents of the EQR Report in respect of the review of Core Studies at Varndean, together with the Executive Summary on page 41 which summarised the EQR work done by the College over the last year.

As reported at the last Corporation meeting, the recommendations from the Core Studies review, were incorporated into the College's own review of Core Studies and resulted in some changes in provision. At this point it was also noted that last year's Student Governor

had also provided input on the issues identified by Students regarding Core Studies, which had also been included in the College's overall review process in this area.

The Corporation discussed the low response rate by Students to College surveys and it was suggested that perhaps the Student Union may be able to assist in encouraging Students to participate in future Surveys.

It is intended that next year an EQR will take place in respect of the College's BTEC provision, noting that issues relating to Valued Added aspects had raised some concerns. EQRs will also be instigated in respect of English and Maths GCSEs.

## **10. Finance**

Elaine French introduced the various Finance reports and referred to various figures therein, highlighting the following main points:

### **a) Financial Plan 2017-2019**

- **App 1 – Budget for 2017-2018**
- **App 2 – Capital Expenditure Budget 2017-2018**
- **App 3 – Financial Forecast Commentary**
- **App 4 – Financial Forecast Submission Pack**
- **App 5 – ESFA Financial Planning Checklist**

### **BUDGET**

- i) Finance Working Group met in June (refer minutes below) to review the budget for next year. There are several key assumptions as detailed in the Executive Summary, but since the Group met, there has been a change overall in the operating surplus which has decreased by £8,000, owing to 3 small changes (IT leasing costs professional fees increased, with an adjustment in depreciation re the College's capital commitments). (NB error in Executive Summary which says £15,000 decrease – to be revised). Despite the adjustment in the operating surplus, the financial score remains unchanged.
- ii) At this point Ayas Fallon-Khan left the meeting, which remained quorate.
- iii) 1,512 funded students for 2017/2018 and Governors were reminded about the lagged funding arrangements (noting that the College is seeking 1,560 Students for the 2017/2018 year, the balance of any students above 1,512, won't be funded until 2018/2019).
- iv) £144,000 saving has been made from core staffing costs (from 1 FTE Teacher and other Teaching and Support cost savings), with a 1.5% pay award included on the basis of being implemented in month 12 only, taking into account the financial constraints on the College and the consequential impact on any staff pay rise, as discussed at previous meetings. At this point it was noted that the SFCA was in the annual national pay negotiation stage and early indications were that this may move upwards from the 1% pay rise agreed in recent years. The Corporation was reminded that the teaching staff turnover at the College was low, the consequences of this resulted in higher staff salaries. Cash reserves generated in this year are likely to be in the region of £180,000. Capital spend allocation is £250,000.

- v) The key indicator in determining the College's financial health has improved compared to the position last year (current ratio + EBITDA is  $90 + 50 = 140$ ) and the health rating is currently "outstanding" but this may well change and move to "good", with the College's student enrolments in September being a crucial factor which will affect this. (NB: EBITDA = Earnings before interest, taxes, depreciation and amortisation)

## FINANCIAL FORECAST

- i) The financial forecast once approved by Corporation is required to be submitted to the ESFA by 31<sup>st</sup> July and includes the current year, budget (as above) for next year together with the forecast for the following year (2018/2019). The forecast for 2018/2019 has been based on funding being received for the targeted 1,560 Students for 2017/2018 which has been calculated to generate an operating surplus of approximately £124,000, assuming a 1.5% pay award as set out above. Subject to no major changes to the forecast figures for 2018/2019, the College should be able to increase its cash reserves by about £200,000, also taking into account a further capital spend of £250,000. This would be based upon 1,560 funded students which would generate a predicted operating surplus of £154,000, At this point the importance of increasing and maintaining adequate cash reserves was noted, in order to ensure financial stability and a good financial health status. The impact of an increase in Staff costs to some extent following an increase in Student numbers was discussed and particularly the impact should the nationally agreed pay rise be implemented.
- ii) The financial forecast commentary on page 54 and 55 of the papers which sets out the College's financial objectives and aims and will be submitted with the completed forecast, once approved, to the ESFA.
- iii) The cash flow schedule remains incomplete at this stage owing to a formatting issue in the first version of the forecast schedules; the revised version is expected to be received from the ESFA shortly and once available will be updated.
- iv) Schedule 6 Sensitivities (page 78): this section allows the College to model the impact of various changes in income and expenditure which can be used as an aide to testing the robustness of the College's figures. Elaine French explained the funding scenarios used and highlighted the -2.5% adjustment made in 2019 which has been used to test the figures and reflecting the uncertainty regarding future ESFA funding. There is some uncertainty regarding the future levels of International Student income owing to Brexit and adjustments have been made to test the impact of this within the sensitivity analysis. Adult Education funding is likely to remain at a similar level, so a smaller adjustment has been included to test the impact on the College's overall position. With regard to Staff costs, an additional 1FTE (Teaching) and 0.5 FTE (Teaching) has been included for 2018 and 2019 respectively, reflecting the fact that should the College recruit its increased Student numbers targeted, there will be some increase in Staffing required. Having taking into account the various adjustments adopted including those detailed above, the overall impact provides a financial health grade for 2017, 2018 and 2019 of good, good and satisfactory respectively. However the grade calculation based on current ratio plus EBITDA would place the College in the position of advanced early warning again, with the ESFA, being below the 100 minimum required (being 90 and 80 for 2018 and 2019 respectively).

- v) ESFA financial Planning Checklist – in response to a question from the Corporation, Elaine French confirmed that she had no particular concerns to raise regarding any of the questions and responses given on the Checklist.
- vi) Page 82 Schedule 7 a: Capital Project Details: Expenditure and Expected Methods of Financing: following a question from the Corporation, Elaine French agreed to check the details for errors. **ACTION: Elaine French**

Subject to the comments made above the Corporation approved the Budget for 2017/2018 and the financial forecast. **ACTION: Elaine French**

#### **b) Management Accounts 2016-2017**

Elaine French presented the latest version of the Management Accounts to the Corporation and made the following comments:

- The current figures have been incorporated where relevant within the financial forecast figures above.
  - The main changes since the last accounts were presented to Corporation include (refer page 99): INCOME: slightly lower Access income than previously projected; additional Full Cost Recovery income and International Income received, together with a further £10,000 in respect of additional income generating activity, the latter of which relates to the examination fees from external candidates. EXPENDITURE: additional staffing of £65,000; premises running costs will be under budget by about £10,000; additional software costs re the new student management system.
  - **App 6 – Financial Dashboard**
  - **App 7 – Period 10 Detailed Management Accounts**
  - **App 8 – Balance Sheet Summary**
  - **App 9 – Cashflow Summary**
  - **App 10 – Executive Summary**
- c) **Draft Minutes from Finance Working Group (confidential)** – noted and the recommendations endorsed.

#### **d) Property Matters**

- i) New Science Laboratory - Elaine French updated Governors on progress with the proposed new mobile Science classroom and reference was made to page 53 of the papers which detailed the capital expenditure budget in 2017/2018 for this, totalling £250,000. She explained the issues which had delayed the project over the last few weeks, including the fact that there are air raid shelters on the site which will need to be taken into account in the ground work building preparations. A report from the contractor dealing with the ground work foundations is expected next week, after which it is hoped that subject to planning permission, the project may proceed. The aim will be to have the new laboratory in place for September 2017.
- ii) Potential Land Sale – Discussions have been held this term with the LA Planning Office regarding options for the land, noting that for the application to be successful, it was important to ensure that any development was in the best interests of the community too. The provision of a multi-use games area was also discussed together with the Russell Martin Academy initiative. Reference



was made to the property discussions and decisions made at the March 2017 Corporation Meeting.

**e) ESFA key Financial Performance Indicators** – these were noted by Governors.

## 11. Audit

Randall Anderson introduced the various audit reports and directed Governors to the details and recommendations from the Committee as recorded in the draft minutes - the Corporation approved the various documents therein. He also drew Governors' attention to the risks included within the Risk Assurance Map and reiterated Corporation's responsibilities within this area. **ACTION: Elaine French/Louise Pennington**

- a) Draft Minutes from Audit Committee
- b) Internal Assurance Strategy and Plan 2017-2018
- c) Reappointment and Remuneration of Auditors
- d) Risk Management Reports 2017/2018
  - i) Action Plan
  - ii) Corporation Assurance Map
  - iii) Risk Register
  - iv) Draft Risk Management Group Minutes
  - v) Committee Terms of Reference (Audit and Risk Group – refer to minutes)

## 12. Search and Governance Committee

Janice Robinson presented the Search and Governance Committee business and recommendations to the Corporation, summarising the discussions held as recorded in the draft minutes including the proposal to circulate a Governor training questionnaire at the start of the new academic year in order to identify specific governor training needs more clearly; it was also explained to Governors that there would be room to record reasons why training in a specific area was not necessary in individual cases e.g. training already done, audit training not needed as employed as accountant etc. It was agreed that the S & G Committee terms of reference should remain unchanged for the following year, subject to the minor housekeeping changes noted in the draft minutes.

It was also noted that Anton Pruden would be retiring as a Governor when his current term of office ends in January 2018. The Search and Governance Committee will be giving some thought to his replacement over the next few months.

**a) Draft Minutes from S & G Committee** – noted.

**b) Committee Terms of Reference** - agreed changes as detailed in minutes.

## 13. Date of Next Meeting

**Wednesday 11<sup>th</sup> October 2017 at 6.00 p.m.**

## 14. Any Other Business

Thanks were recorded to Lucy MacDonald for her work as the Staff Governor, noting that she was leaving Varndean at the end of this academic year.

There was no other business.

**15. Confidential Business**

None

Chair.....

Date.....

Louise Pennington 05/07/17