

**MINUTES OF THE  
CORPORATION MEETING**

**HELD ON WEDNESDAY 17<sup>th</sup> MAY 2017 AT 6.00 P.M.**

**MEETING 16/05**

Present: Jane Alderton, Randall Anderson, Robert Bridges, Jane Farrell, Philip Harland, Simon Lindfield, Lucy MacDonald, Cathy McDonnell, Billy McNally, Anton Pruden, Janice Robinson, Richard Seager, Katharine Travis, Aldona Wheeler

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

Apologies received: Ayas Fallon-Khan, Student Governors (Ramy Danial and Zenobia Thomas-Atkin)

In the Chair: Janice Robinson

**1. Welcomes and Apologies for Absence**

Apologies – as recorded above.

Welcomes – Billy McNally

**2. Membership Matters**

Noting the outcome of the Student Union election process, the two new Student Governors, Ramy Danial and Zenobia Thomas-Atkin, were appointed for one year until their successors are elected in 2018.

**ACTION: Louise Pennington**

**3. Declaration of Interest**

None recorded.

**4. Minutes of the Meeting on 22<sup>nd</sup> March 2017 Parts I and II**

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

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

The contents of the action points' schedule and the significant risks' schedule were noted and regarding the former, Governors were advised which actions had been completed.

The following updates were given:

- 22/3/17 Item 6 Joint Study with BHASVIC – In response to a query from the Chair, Philip Harland confirmed that £6,000 of the £28,125 grant had been spent and the form had been returned to the funding agency. The remaining £22,125 will be clawed back by the funding agency in due course.
- 22/3/17 Item 7 Staffing Updates – this has been deferred to the July 2017 Meeting in order to include any adjustments required following the budget setting process. **ACTION: Philip Harland**

- 22/3/17 Item 8 Student Governor to feedback suggestions from AoSEC training event to improve Students Core Studies timetabling – Jill Arnold confirmed that she had met with Nasr Muflahi who had provided useful suggestions which were being considered by SLT regarding the scheduling of Core Studies next year.
- 22/3/17 Item 11 Finance: Land development – preliminary work re outline planning etc to be taken forward: In response to a request for an update by Governors, Elaine French advised that she was in the process of liaising with the LA Planning Officer and that details were awaiting from the Russell Martin Academy in terms of funding/investment options in order to finalise proposals for development. **ACTION: Elaine French**
- 22/3/17 Item 14 Complaints Policy – Jill Arnold confirmed that she had informed staff about the new Policy wording and that a training session had been scheduled within the Summer Inset Training for Staff.

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

**ACTION: Louise Pennington.**

## 6. Chair's Report

Janice Robinson presented her report to Governors and the following points were highlighted:

- 1) Complaints Appeal – Janice Robinson summarised the Panel's review process and advised that the outcome of ESFA's review was scheduled to be issued by 5<sup>th</sup> June, noting that the ESFA would not be able to overturn an institution's decision in relation to a complaint or impose its own decision. It would investigate a complaint where a College has not complied with its own complaints procedure or an obligation imposed on it under its funding agreement.
- 2) ESFA Letter regarding strong financial management and governance. Governors considered both the Chair's Report and also the letter from Peter Lauener (ESFA) and discussed the College's position and various options to enhance its current arrangements. Governors were reminded of the financial difficulties which some of the mainly large General FE Colleges had experienced which had caused concern within the Department for Education and hence the issuance of this letter to accounting officers. It was noted that the Finance Group which currently meets annually in the Summer Term, may extend this to two meetings next year onwards, in order to ensure that early indicators for any key financial changes, could be discussed by Governors on the Group. The Chair of Audit Committee, Randall Anderson, assured Governors that the current audit arrangements were appropriate and recommended that no additional assurance processes would be necessary at this time. Governors were also reminded that in order to improve Governors' information, it had been decided with effect from July 2016 Corporation that the checklist within the College Financial Handbook, should be included in the financial forecast Meeting papers. The audit work scheduled by both the internal and external auditors was also discussed, including the fact that both financial management and governance were included regularly in the audit work. It was also recorded that further training/information options had been offered to the Chair of Audit and Finance by the College's auditors, Mazars, to participate in the new Education Forums which would have a focus upon key audit/finance matters. Simon Lindfield (Finance Group Chair) had also joined the Association of Colleges (AoC) Finance Hub which provides information and a forum for discussion within the sector, involving both Finance Directors and Chairs of Finance etc. Other options could be considered in terms of providing Governors with further assurance such as various toolkits and compliance reports available within the sector. It was agreed that no additional assurance should be sought at this point in addition to the information already provided.
- 3) Training for Governors – referring also to the Matters Arising item on Governor training (S7 options and liaison via Jill Arnold), Janice Robinson also explained that Louise Pennington would be contacting Governors in due course to give Governors the option to identify more specifically any training needs (and also to consult SLT for suggestions)

with the aim of putting together a programme for the next academic year using internal or external providers, subject to budgetary constraints. At this point it was recorded that Katharine Travis the newly appointed Designated Safeguarding Governor, had attended a Local Authority Safeguarding Training Session for Governors. **ACTION: Louise Pennington**

## 7. Principal's Report

- a) Student Numbers 2017/2018 – Philip Harland confirmed that the College remained on target to achieve 1,560 students for the next academic year, although also noting that it was more difficult this year to predict conversion numbers from year 1 to year 2, owing to a change to linear A Levels. SLT's main concern was that the target numbers may be exceeded.

At this point it was resolved that owing to the nature of the business, the next item b) NSP9 Teaching Allowances, should be transferred to confidential Part II Minutes. **CONFIDENTIAL ITEM – refer to Part II Minutes (confidential item d)** "information relating to the negotiating position of the College in industrial relations matters, during the course of those negotiations")

## 8. Student Governors' Report

Nothing to report at present, noting that the Student Governors were on exam leave.

## 9. Curriculum and Standards

Philip Harland, Jill Arnold and Pete Bailey presented their reports to Governors and the following additional points were made:

- a) Student Outcomes (curriculum updates; data dashboard for attendance and retention/applications)

Philip Harland explained that although not specifically a data dashboard, the analysis provided useful information in terms of attendance and retention and showed attendance marginally improved overall compared to last year. Although absenteeism (authorised and unauthorised) is up to 4.4%, it has shown an improvement compared to earlier years, but this may partly reflect that Varndean Students have improved reporting absence. Overall the majority of Students have good attendance, but there is a minority of Students whose attendance is unsatisfactory and staff pay particular attention to the latter, providing support where needed, particularly in light of the fact that poor attendance may lead to Students withdrawing from the College.

Regarding retention, AS is above the SFC average, which is an improvement compared to last year, although recognising that AS forms a less significant contributor since the move primarily to linear A Levels. In contrast A Level retention is comparable to the sector average and also marginally better than when compared to the College's previous year's figure, although the same as the College's overall figure 2 years ago. BTEC retention has improved compared to last year and being 0.5% above that achieved in the SFC sector. The Maths GCSE retention level has significantly improved compared to previous years. Governors were reminded that retention was a factor in determining the College's level of funding – hence the importance to ensure that good levels are maintained.

The Corporation noted the particular importance of retention in light of the change to linear A levels and progression into Year 2.

- b) Quality of Teaching and Learning (curriculum provision update).

i) Changes to Core Studies

Jill Arnold referred Governors to page 27 of the papers and the various changes to Core Studies anticipated for the next two academic years. The proposed revisions reflect the financial pressures upon the College and need to reduce staffing costs, combined with improving Core Studies to ensure that this is structured in such a way as to be of maximum benefit to Students. The time reduction per year group was noted and also that a Core Studies Co-Ordinator would be appointed on a Support Staff contract, the latter enabling more hours to be provided for Students' benefit, but at lower cost. It is intended that the reduction in staff costs would be absorbed via anticipated staffing changes and SLT/Heads of School are continuing to progress the proposals via the usual planning process. Jill Arnold confirmed that overall a Student's GLH would remain at 540 per annum, taking into account other extra-curricular activities such as sports, trips etc. A recording system will also be introduced next year to ensure that all such hours are recorded and included in the overall GLH per student for the year.

Governors were advised that a Core Studies EQR had been carried out at Varndean recently and the report will be presented to the next Corporation Meeting. **ACTION: Jill Arnold**

ii) Student Progression from year 1 to year 2

Pete Bailey referred Governors to his paper on page 28 of the meeting pack and summarised the various issues in curriculum planning and in particular for this year following the change to linear A Levels, the problems associated with predicting conversion rates and progression. Additionally he explained that recruitment into Year 1 was also less predictable owing to the fact that the College has more places set aside for Students from Mid-Sussex who may hold more than one College offer, unlike Brighton and Hove where there is a common application process, where Students may only accept one offer from the various Colleges in the City. The uncertainty caused by the new GCSE grading system also meant that recruitment of Students from the Schools was less clear in terms of setting grade requirements for entry to A Level courses. Consequently there may be a need to adjust staffing in September and as agreed last year, should this have an impact on the budget, Governors would be consulted. **ACTION: SLT.** In response to a question from Governors, Jill Arnold confirmed that the College would not need to carry out additional marketing for the College's courses, as bearing in mind the report made earlier in the meeting regarding predicted enrolments, there was a risk that the College may be over-subscribed.

## 10. Finance

Elaine French introduced the various Finance reports, highlighting the following points:

### a) Financial Updates including Dashboard and Management Accounts

Elaine French referred Governors to the management accounts (period 8) and the financial dashboard and made the following points:

- Page 29 General Position – first bullet point “overall current deficit is £282,176 to date” – it was agreed that in future this line should be taken out. **ACTION: Elaine French**
- Year end projections (bottom of page 29) were noted and in particular that these were similar to the figures issued at period 6. However the budgeted operating surplus disclosed as £29,937 is currently indicating a surplus in excess of £80,000.
- Page 30 major variances - Income: an additional income of £5,000 in respect of International Income was highlighted. Expenditure: last bullet point to be deleted as

included in error (“central services and premises budgets have been reviewed etc”); professional fees of £5,000 relating to staff recruitment/ national advertising costs.

- Page 30 Projected ratios for year end – operating surplus as percentage of income is 1.1% (target being more than 2%); pay as percentage of income projected at 73.5% (target is 72%)
- Page 31 – projected financial health scoring included for the first time as agreed with Governors and currently indicating “good”. Governors were also reminded that a minimum score of 90 points for ratio 1 (current assets) and ratio 2 (EBITDA (surplus) combined, must be achieved to meet ESFA criteria, noting that in respect of last year the College scored 80 points which led to an early warning from the ESFA. The borrowing ratio is 100 points reflecting the College’s nil borrowings at the moment.
- Page 31 Cash flow - £400,000 is on a 32 day notice deposit to maximise interest, although this is still at a low interest level. Elaine French advised Governors that she would be investigating alternative options with the aim of improving interest levels. Cash at bank at period 8 is approximately £500,000 and at year end £1.2M predicted to be included on the balance sheet.
- In response to a question from the Corporation regarding the financial arrangements with the Russell Martin Academy, Philip Harland informed Governors that this year, as the Academy has not yet generated any income, the College has allocated £10,000 to progress the initiative and meet the cost of coaching fees and in return had received new football posts and kit for the football squad. Next year income will be received in respect of the Students which will be allocated 60:40 (College:Russell Martin Academy). At this point the College will not be providing any further funds towards the running of the Academy. The Russell Martin Academy Students will also study for qualifications (2 A Levels or equivalent) at Varndean, in addition to their coaching through the Academy, equating to a full programme of study overall. The target Student numbers for 2017/2018 as given earlier in the meeting of 1,560, excludes the Russell Martin Academy Students (target of 30 for 2017/2018 and presently 13 or 14 enrolled).

#### **b) Funding Allocation from SFA for 2017/2018**

The contents of the SFA funding allocation for 2017/2018 letter was noted and in particular that the funding was very similar to that granted last year.

#### **c) Property Update including Tender Panel Recommendations and Appeal on CIF Bid**

Elaine French reported that the Tender Panel (comprising Philip Harland, Randall Anderson, Simon Lindfield and Elaine French) had met on 5<sup>th</sup> May to consider tenders from three companies in respect of the proposed modular science laboratory to be erected at the back of the main College site. At the end of the Panel meeting one of the tender providers was favoured by all; however later on, it was noticed that one of the contractors had not issued the tender documentation on the same specifications compared to the other two contractors, placing the contractor at an unfair disadvantage. As a consequence the Panel members agreed that the contractor should be asked to re-submit the tender documentation on an equivalent basis used by the other two contractors. Following receipt of this, the Panel members will review the details and agree upon the appointment, which the Corporation members endorsed. Governors were reminded that the proposal would be to have the modular laboratory in place for September 2017, subject to planning application been approved. **ACTION: Elaine French**

Philip Harland reported that following the outcome of the latest CIF Bid (£3.5m), he had submitted an appeal, taking into account the fact that the College’s bid had only fallen short by 1 point in the calculation process to achieve approval (being 66 points, with the target for approval being set at

67 points). He explained that the appeal was based upon two key issues – 1) The ESFA had rejected the bid partly owing to the fact that they said that the project cost had been overstated owing to the inclusion of VAT, but as the College project has a business element (Adult Education//International Students) it would in fact be subject to VAT and 2) SLT believes that the ESFA has underestimated the demand for provision at Varndean bearing in mind that the form to be submitted is set out with Schools in mind and does not take account of the fact that Varndean is part of the common application process in Brighton and Hove (FE Colleges), which means that there is more certainty in projecting final numbers.

The Corporation noted that should the appeal be successful then the proposal to erect a modular Science laboratory would be replaced by the STEM centre plans, although noting that the latter would not be in place by September and that temporary modular facilities would be necessary anyway to cater for this required additional provision. A planning application for the modular laboratory would be submitted anyway as soon as possible in order to ensure that planning permission is in place in the time required. At this point Elaine French explained the at risk element arising as a result of the need to place the order for the modular laboratory prior to receiving planning permission (minimum 12 weeks before outcome), which would equate to a 25% deposit (on building and delivery cost elements) being in the region of £15,000.

#### **d) Charging Students and Financial Support Policy for 2017/2018**

The minor changes to the above Policy were noted e.g. revision of terminology and change in limits of threshold of application of up to £25,000.

The revised policy was approved. **ACTION: Elaine French**

### **11. Policies**

#### **a) Admissions 16-18**

Jill Arnold explained that the policy wording remained largely unchanged and that the only adjustments related to the entry requirements, reflecting the new GCSE grading to a numerical scoring system. The revised Policy was approved by Corporation. **ACTION: Jill Arnold**

#### **b) Admissions 19+**

The minor changes within the Policy were noted including a couple of new additions (e.g. Level 3 Certificate in Counselling Studies) etc. The revised Policy was approved by Corporation.

**ACTION: Jill Arnold**

#### **c) Child Protection and d) Safeguarding**

Jill Arnold advised that both Child Protection and Safeguarding Policies had been updated to reflect current guidelines and practice and accordingly both were approved by Corporation.

**ACTION: Jill Arnold**

**12. Date of Next Meeting**

**Wednesday 5<sup>th</sup> July 2017 at 6.00 p.m.**

**13. Any Other Business**

There was no other business.

**14. Confidential Business Part II**

At this point, owing to the confidential nature of the business it was resolved that Staff and Student Governors, SLT Members, Elaine French, Pete Bailey and the Clerk should leave the meeting.

Chair.....

Date.....

Louise Pennington 17/05/17