

THE SOUTH DOWNS COLLEGE CORPORATION

Minutes of meeting held at 5.45 pm on Thursday 5 July 2012 in the Committee Room

Present: Andrew Turner (Chairman), Tim Bennett, Ray Bolton, Ian Child, Graham Fice, Stephenie Linham, Donna Munday, Laxmi Neave, Peter Rhodes, Caroline Strevens, Lyn Surgeon (Principal), James Warner

Apologies: Gwen Blackett, Patricia Thompson, Tony Welch, Sam Wilkinson

In Attendance: John Manterfield (Clerk to the Corporation)
Susan Grantham (Minuting Secretary)
Lucy Manning (Head of Student Services and Marketing)
Pankaj Makwana (Director of Finance)

The Chair welcomed Lucy Manning and Pankaj Makwana who took up post on 7 June 2012.

974. Minutes

The minutes of the meeting held on 14 June 2012 were AGREED whereupon the Chair SIGNED the minutes.

975. Matters Arising - Corporation Membership

The Chair noted the vacancy on the Corporation following the resignation of Gwen Blackett and asked for governors' views for a replacement governor. The Principal proposed considering an employer and she wished to explore options.

On the proposal of the Chair, the resignation of Gwen Blackett with effect from 31 July 2012 was NOTED and it was AGREED that the Principal would pursue employer links for the purpose of recruiting a new governor and report back.

976. Membership - Support Staff Member

The Clerk reported that Laxmi Neave had been duly nominated and elected by the support staff.

The re-appointment of Laxmi Neave as support staff member, duly nominated and elected by the support staff of the College, for a period of 4 years with effect from 3 July 2012 was AGREED.

977. Training

i) Safeguarding – Governors' Responsibilities – Lucy Manning

Lucy Manning's presentation (attached with the minutes) focused on the importance and culture of safeguarding within the College noting:

- Roles and Responsibilities
- Ensuring Safe Practice
- The Designated Child and Vulnerable Adult Protection Team, which includes the College Secretary and Support Staff governor Laxmi Neave
- Key Policy Documents, accessed on the College intranet
- Safeguarding governance, the commitment by the Senior Leadership Team, the culture of listening to the student voice, clear lines of accountability, and disciplinary and whistleblowing procedures.

All staff receive training and 27 classroom sessions had taken place this year for 207 staff. Refresher training on line training is every three years – 150 had completed this year. The seven members of the Designated Child and Vulnerable Adult Protection Team receive training at Level 3. Over 100 students had been referred to her this year and 12% had been cases of

abuse. Lucy Manning noted her presentation was only an overview and invited governors to join a staff training session and a schedule would be circulated.

The College Secretary noted Lucy's role was a very important aspect of safeguarding. He also noted the wider aspect of Health and Safety and security on site which is reported annually to governors.

The Presentation was RECEIVED and Lucy Manning left the meeting at 6.07 pm.

ii) Outline of Funding Methodology and Risk Management – Pankaj Makwkana

The Director of Finance's presentation (attached to the minutes) outlined:

Funding Methodology

- Funding Providers
- Other Sources of Income
- 5 Government Priorities
- EFA 16-18 Funding Statement – key messages
- Provision for Adults – headlines
- New Challenges, New Changes
- HE Provision – Key changes

Risk Management

- Purpose, approach, roles of Governing Body and SLT, key components, annual review
- The SDC Risk Register
- What we have done
- Summary of what this means for SDC.

The Director of Finance offered to take any questions and advised he would provide Key Risk Indicators at the next Audit Committee.

The Director of Finance's presentation was RECEIVED.

The Principal noted it was important for all governors and staff to be aware of the College's position and she had delivered briefings to staff on 20 June with clear messages in relation to reduced funding and applications, the need for efficiencies and to increase success and retention rates. Much work had already been progressed on retention and significant budget savings made. The appointment of a Marketing Manager had been put on hold. She discussed key areas for change and efficiencies, including class contact hours, class sizes, data mechanisms and monitoring. Fears about EMA had impacted on 16-18 applications and tuition fees will mean HE students will have to take a loan for 2013. The College will review market intelligence and its curriculum provision to offer courses that progress into HE or into work. There was scope for diversifying income with more full cost courses. 16-18 is the core purpose and she was developing the structure, a business unit, an infrastructure around apprenticeships, strong relationships with schools and opportunities to work with partners. The prospectus was being reviewed and key messages of *what students say* to appeal to both students and parents. There was much to promote and she will speak to parents at Open Evenings.

The College Secretary advised that by September the College will have a firm idea of funding for full-time students and part-time which will inform in terms of budget available for future years. The Director of Finance noted the funding problems are national.

[Ray Bolton left the meeting at 7.05 pm.]

978. Committee Membership – Finance and Employment and Standards and Quality Committees

The Clerk noted a number of expressions of interest had been received. Further expressions of interest from members were received and discussed. The Principal advised she was keen for some members of the Senior Leadership Team to be in attendance on the committees.

On the proposal of the Chairman membership of the two committees was AGREED nem con, for the period of two years with effect from 1 August 2012, namely:

- (i) Finance and Employment Committee: Ray Bolton, Ian Child, Laxmi Neave, Caroline Strevens, Andrew Turner, the Principal (6).
- (ii) Standards and Quality Committee: Tim Bennett, Graham Fice, Stephenie Linham, Donna Munday, Peter Rhodes, James Warner, the Principal (7).
- (iii) Audit Committee – Graham Fice, thereby filling the vacancy left by Ian Childs.

It was further AGREED that Chairs of Committees be determined at the initial meetings and ratified at the next meeting of the Corporation.

979. Audit Committee

- (i) Minutes of meeting held on 24 May 2012
(Doc.C12/22 was circulated with the agenda)

Donna Munday noted that RSM Tenon had presented the Audit Strategy Memorandum. They had set materiality at £410,000, risk management had not significantly changed and there were no items they wished to draw to the Corporation's attention. The internal auditors presented four reports, all of which received Substantial Assurance with a total of 3 housekeeping recommendations as detailed in the minutes.

- (ii) Risk Management Annual Report
(Doc.C12/23 was circulated with the agenda)

Donna Munday advised that the College's Risk Register listed some 100 risks whereas the internal auditors advised that other colleges list some 20-30. The College reviews risks annually and discussed key financial risks monthly. The most significant risk was funding from the Skills Funding Agency and the Education Funding Agency.

- (iii) Internal Audit Strategy Update and Operational Plan 2012-13
(Doc.C12/24 was circulated with the agenda)

Donna Munday reported that the Internal Audit Strategy Update and Operation Plan 2012-2013 had been agreed with a minor amendment relating to the timing of the audit on Marketing. The Committee had noted that the Plan had been based on the Risk Register May 2011 and the College would be updating the Risk Register more frequently in future.

- (iv) Revised Terms of Reference for the Audit Committee
(Doc.C12/25 was circulated with the agenda)

The Clerk noted that Terms of Reference had been revised to reflect changes to funding bodies.

The Director of Finance queried the percentage of income for materiality referred to in the Audit Strategy Memorandum which he would take up with RSM Tenon.

Members discussed audit reporting. It was noted that the role of the external auditors was to confirm a true view of the accounts and the role of the internal audit was to confirm procedures and controls are in place and assist management by looking at risks. In future the Audit Committee will look at Risk Management termly and the Director of Finance will assist that process. The Principal emphasised the importance to benchmark and noted one of the biggest risks related to Ofsted inspection.

On the proposal of the Chairman it was unanimously AGREED:

- (i) That the Minutes of the meeting held on 24 May 2012 be RECEIVED.

- (ii) That the Risk Management Annual Report be AGREED on the recommendation of the Audit Committee
- (iii) That the Internal Audit Strategy Update and Operational Plan 2012-2013 be AGREED on the recommendation of the Audit Committee
- (iv) That the revised Terms of Reference be AGREED to reflect changes in funding bodies.

980. Finance and Employment

- (i) Revenue and Capital Monitoring 2011-2012
(Doc.C12/26 was circulated with the agenda)

The Director of Finance noted he had presented the monitoring in a new in-depth format based on transparency and openness. He took members through the revised format page by page and noted that he would be monitoring forecast outturn against the budget set by the Corporation and not the revised budget throughout the year. Page 3 detailed the Key Performance Indicators and benchmarking was paramount. Pay expenditure as a percentage of income was shown as 77% against a regional figure of 63%. Income and Expenditure outlined a surplus of £398 against a budget of £108k. Para 8 detailed expenditure variances and he will give a commentary for significant variations. Page 7 gave an overview of staffing and contact hours. Page 8 detailed the revised budget and variances in respect of the Adult Skills Budget. Cash flow on page 13 reflects a healthy position. There is provision for the clawback.

Donna Munday and Ian Child thanked the Director of Finance for the improved format.

On the proposal of the Chairman the management accounts for the month of May 2012 were RECEIVED and the Forecast outturn for 2011/2012 was NOTED.

- (ii) Revenue and Capital Budgets for 2012-2013 and the three-year financial plan 2012-2015.
(Doc.C12/27 was circulated on 28 June 2012)

The Director of Finance noted the three year forecast was quite detailed and required to be produced on an annual basis in a standard format based on a template received from the Skills Funding Agency. Page 1 detailed financial objectives and page 2 the College Development Plan based on the allocation for 2012/3 and will change for future years. Adult Skills was slightly increased because of apprenticeships. Page 3 outlined the transitional protection of £968k for the current year which reduces to £212k for 2012/13 and ceases for 2013/14. Page 4 detailed staff costs as a percentage of income. The College was currently assessed for financial health as Good by the SFA (para 3(d)). Page 5 detailed Key financial Indicators, the operating surplus, general reserves, and cash in hand. Page 8 detailed the Statement of Key Assumptions, Risk Management Plan and Key Risks/Sensitivity Analysis. The Financial Health was given at the bottom of Schedule 5. He discussed with members future priorities in terms of capital investment and reserves of two months of pay costs in the cashflow. Members noted the budgetary pressures and were supportive of the actions being taken to reduce expenditure in particular the progressive reductions of the proportion of pay costs to income of 73% in 2015 on page 4.

On the proposal of the Chair

- (i) The revenue and capital budgets for 2012-2013 was AGREED
- (ii) The 3-year Financial Plan 2012-2015 was AGREED, and
- (iii) On the proposal of Donna Munday, seconded by Stephenie Linham, the revised format of monitoring was AGREED.

The Chair thanked the Director of Finance for his work since taking up post three weeks ago.

The College Secretary noted that the College banks with Barclays plc and distributed a letter dated 5 July 2012 addressed to governors from the Head of the Solent and Dorset region which

commented on the various issues that had been reported in the press. The letter was RECEIVED.

The Principal reported that the Skills Funding Agency had requested a meeting with herself and the Director of Finance regarding our financial health, and was scheduled for 17 August 2012.

981. Staffing Report

(Doc.C12/28 was circulated with the agenda)

The College Secretary noted there had been a number of changes as a number of staff were retiring. A new lecturer had been appointed in Engineering. Variations were mainly downwards following staff requests to vary their contracts. Support staff and teaching staff showed net decreases. The College was consulting with staff over possible redundancies and had already made a number of savings. The College had identified some additional income into the College.

The report was RECEIVED.

982. Strategic Planning

(Doc.C12/29 was circulated on 28 June 2012)

The Principal presented the format for the Strategic Plan detailing key ambitions, key performance indicators (KPIs), and key outcomes. She highlighted the KPI for overall success rates set at 84% and much good work had already taken place. The ALPS score was the value added score and the lower the score the better the College was doing - a score of 2 indicated that a College was in the top 10%. A priority was to increase conversion from Havant Schools and this would be monitored closely. Accommodation would be audited in terms of inspirational space as well as fit for purpose and to achieve 75% by the end of the year. Key Outcomes were not so easy to measure. Retention would be monitored monthly. The Principal had been very impressed by responses from staff on enterprising culture. The College would monitor performance management very differently and all staff will identify key goals consistent with the Strategic Plan. She presented an example of the Action Plan explaining that the Senior Leadership Team will write chapters based on key ambitions. Heads of Faculty will work with Heads of Curriculum to identify their key goals who in turn will work with other staff. Everything emanates from the Strategic Plan. Monitoring would be reviewed regularly in preparation for the Standards and Quality meetings. All Staff need to be clear about accountability and lines of accountability and she would be outlining details to Heads of Curriculum tomorrow.

On the proposal of the Chair,

(i) Key Ambitions and Key Outcomes as part of the Strategic Plan were AGREED.

(ii) The new format for producing the Strategic Plan and monitoring progress was AGREED.

983. Student Union Constitution

(Doc.C12/30 was circulated with the agenda)

The College Secretary noted the Student Union Constitution was the work of the Student Union Officers and the Student Liaison Officer. He thanked student governors Sam and James for their contribution partly based on models from the National Union of Students and from the previous constitution. Stephenie Linham noted that there should be nine protected characteristics to meet the Equality Act 2010.

The revised Student Union Constitution was AGREED subject to amendment to reflect the nine protected characteristics.

984. Principal's Termly Report
(Doc.C12/31 was circulated on 28 June 2012)

The Principal's termly report highlighted success rates for Hampshire Colleges. New full-time applications were an area of concern and internal applications looked promising. She noted the positive Ofsted Best Practice visit on 22 May although the College's name will not be included in the report. HMI Green had made many good comments although he had not looked at the data and success rates. The Principal highlighted the fantastic practice in the College and the need to ensure it is promoted. She was introducing a College Hour every Monday at 4.15 dedicated to teaching and learning. There will be Learning Circles 7 times a year for staff to teach and share best practice. She was making some changes in the College structure based on the strengths of the Senior Leadership Team and to share best practice there will be a college-wide approach rather than the two faculty approach. The Principal was most grateful to John Manterfield for his role as Acting Principal and proposed his title should be Deputy Principal to more appropriately reflect his role. She was keen to build strong links and had already visited many local headteachers, college principals, John Craven at the University of Portsmouth and the Chief Executive at Havant Borough Council. She hoped to Link with GFE South.

Her report highlighted many recent successes and she advised that governors will be invited to many of these events in the future. Following the End of Term Concert at the Holy Trinity Church Gosport, she had received a letter from the Director of Music thanking her for letting our students fill his church with wonderful music. As well as student successes history lecturer Georgina Blair was the SE Finalist for the Pearsons Teacher of the Year in Further Education Award and judges had visited the College again on 4 July as part of the national assessment. The Principal asked if governors were happy to receive a termly report rather than an annual report.

- (i) The Principal's Termly Report was RECEIVED.
- (ii) Staffing changes were NOTED and the Corporation AGREED that the post of College Secretary be re-titled Deputy Principal and be CONFIRMED as a senior post for the purposes of the Articles of Government.

985. Date of Meetings for the Next Academic Year
(Doc.C12/32 was circulated with the agenda)

- (i) The schedule of meetings for the academic year 2012/2013 was RECEIVED, and
- (ii) The dates of the Corporation Meetings were CONFIRMED as
 - Thursday 27 September 2012, 6.00 pm (Training Meeting)
 - Thursday 8 November 2012, 5.45 pm
 - Thursday 13 December 2012, 5.45 pm
 - Thursday 21 March 2013, 5.45 pm
 - Thursday 4 July 2013, 5.45 pm

986. Urgent Business

- (i) Student Union Bank Mandate - The College Secretary noted that following the appointment of the Director of Finance the Student Union Bank Mandate was required to be revised.

It was AGREED that full authorised signatories for the Student Union Account be noted as the Principal, the College Secretary, the Director of Finance, Finance Manager to sign with either of the two Student Union Officers.

- (ii) Financial Regulations - The Director of Finance advised he would revise the Financial Regulations and requested that the Chair and Chair of Audit Committee be delegated to approve these by the end of August to report back to the Finance and Employment Committee in November. The College Secretary noted the update would mainly reflect changes in titles.

On the proposal of the Chair, this was AGREED.

- (iii) Retirement of Gwen Blackett The Chair requested the minutes record a huge vote of thanks to Gwen Blackett for her service as governor for very many years and requested Susan Grantham to prepare a formal letter from the Chairman on behalf of the Corporation.

[The meeting was declared closed at 8.30 pm.]

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