

**South Downs College Corporation**  
**Board of Governors**  
**MINUTES OF A MEETING OF THE CORPORATION**  
**HELD ON THURSDAY 7<sup>th</sup> JULY 2016**  
**AT SOUTH DOWNS COLLEGE**

**Present:**

Mrs S Linham (Chair)	Mr R Pearce
Mr R Crank (Vice-Chair)	Mr D Todman
Mr I Child	Mr L Perman
Mr C Dobbin	Mr T Whitlock
Mr M Gaston (Principal)	Mr R Showan
Mr T Horwood	

**In attendance:**

Mr M Brunner	Co-option
Mr R Barlow	Vice Principal
Mrs D Smith	Assistant Principal, Student Services & Support
Mrs A Whitworth	Interim Director of Finance
Mr A Thomson	Merger Project Manager
Ms P Robertson	Clerk to the Corporation

<b>Total Membership</b>	16
<b>Total vacancies</b>	0
<b>Total possible attendance</b>	16
<b>Quorum:</b>	7
<b>Total Present:</b>	11 - meeting quorate

**Meeting started at 5.45 pm.**

Prior to the start of the formal agenda, the Board welcomed College Directors of Curriculum, Dan Beale and Lee Hunt.

Lee Hunt explained that he was Director of Curriculum Business, Catering, Hospitality, Beauty Therapies & Hairdressing. He gave an overview of his areas of responsibility and key challenges, especially the development of new apprenticeships and full cost course recovery programmes as well as new provision in level 3 and HE. The Board was particularly interested to hear of the Apprenticeship contract which had just been secured with Carnival Cruises where the College had been in competition, initially, with Southampton City College. For this year, 5 Students had been successful and the next step was to recruit and develop this programme for 20 Students next year. Lee explained that there were significant opportunities in this area and he was seeking growth, but it was important to make the right judgements. He felt that his staff had embraced the Employer Engagement agenda and made very good progress. They were highly professional staff with good business sense and were very supportive of the initiatives. For the Business area, there were few competitors in the area. There was a strong Economics team at Havant College and Lee's team was looking forward to working with them in the future. In the future, the team was keen to develop distance learning and was currently investigating how this might be done.

Dan Beale explained that he was Director of Teaching, Learning & Quality and gave an overview of his areas of responsibility and key challenges. He emphasised the importance

of supporting and developing staff through the Teaching and Learning Manager and the coaches assigned to each area. In striving to be outstanding, the focus was on training to ensure that there was consistency, challenging and developing and celebrating the strongest teachers who could be used very effectively to disseminate good practice. It was important to encourage the highest professional practice and to support staff in this process. Dan also explained that he had been reviewing the quality cycle which now covered all aspects of the College and the future focus would be on the impact of actions to secure improvements, particularly the quality of quality improvement plans and whether targets have been met. A key strategy for the College in delivering was the importance of technology in the classroom. The College was seeking to establish a new culture and was developing a Digital Strategy. This would include a digital creation room to create online learning tools.

At the conclusion of the presentations, the Chair thanked Lee and Dan, on behalf of the Board, for attending and outlining some very exciting developments.

#### **PART ONE MINUTES**

<b>Minute Number</b>	<b>Minute</b>	<b>Action</b>
	Before the start of the formal agenda, the Chair reminded members that she had received a letter from Tony Whitlock, the Teaching Staff Governor, about some concerns, which had been copied to all Board members. It was noted that she had met with Tony to discuss the letter and they both confirmed that they now better understood each other's position and the matter was now closed.	
<b>11/16</b>	<p><b><u>Annual Election of Chair and Vice-Chair</u></b></p> <p>The Clerk informed the Board that she had received nominations, duly seconded, for Stephenie Linham as Chair and Ron Crank as Vice-Chair. It was confirmed that there were no other nominations and Stephenie Linham and Ron Crank were duly elected as Chair and Vice-Chair respectively, for 2016/17.</p> <p>The Chair stated that she was pleased to continue as Chair for the coming year but felt that, notwithstanding any required interim arrangements, she would be happy to hand over the chair after the merger. She also added that she needed to feel that she enjoyed the full support of all Board members, which was acknowledged.</p>	
<b>12/16</b>	<p><b><u>Apologies for Absence &amp; Welcome</u></b></p> <p>Apologies for absence had been received from Ray Bolton, Chloe Bowles and Becky Abrey.</p> <p>It was also noted that Shena Mitchell might not be able to attend and had given notice that she was standing down after this meeting. The Board was sorry to lose Shena as a member and she was thanked for her work as a Governor. It was felt that she had participated fully</p>	

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	and independently and used her skills in the best interests of the College.	
13/16	<p><b><u>Declarations of Interest</u></b></p> <p>No Member declared any conflict of interest with any item on the Agenda which had not previously been declared.</p> <p>Ron Crank informed the Board that he was now Vice-Chair of Nacro.</p>	
14/16	<p><b><u>Part One Minutes of the Corporation meeting held on 17<sup>th</sup> March 2016</u></b></p> <p>The Part One Minutes from the meeting held on 17<sup>th</sup> March 2016, having been previously circulated to Members, were agreed as a true record and signed by the Chair.</p>	
15/16	<p><b><u>Matters arising from the Corporation meeting held on 17th March 2016</u></b></p> <p>The action schedule was noted. The Clerk pointed out that the action would be undertaken by Debbie Smith, Assistant Principal Student Services &amp; Support, as she was the lead for Safeguarding.</p>	
16/16	<p><b><u>Board Business Matters</u></b></p> <p>(i) <b><u>Report of the Search &amp; Governance Committee Meeting held on 22<sup>nd</sup> June 2016</u></b></p> <p><i>Andrew Thomson joined the meeting at this stage.</i></p> <p>The Board had received the report of the Search &amp; Governance Committee and the Chair outlined the key issues. It was noted that discussions had now taken place with the Havant Board about possible future governance arrangements. For the coming year, the Chair was contacting Governors to discuss committee arrangements in 2016/17 and Governors' longer-term interests.</p> <p>The Chair also outlined the main recommendations from the Search &amp; Governance Committee which were formally approved as follows:</p>	

Minute Number	Minute	Action
	<ul style="list-style-type: none"> <li>• <b>The appointment of the current co-option, Martin Brunner, as a Governor for a period of 4 years from 8<sup>th</sup> July 2016 until 7<sup>th</sup> July 2020.</b></li> <li>• <b>Changes to the terms of reference for the Finance &amp; Estates Committee to move responsibility for oversight of Marketing from the Standards &amp; Quality Committee to the Finance &amp; Estates Committee.</b></li> </ul> <p><i>As Ron Crank needed to leave the meeting early, at this point in the meeting, the agenda was re-ordered and Governors discussed the part two agenda items whilst Ron Crank was able to be present.</i></p> <p><i>Following discussion of the part two agenda items, the Board returned to the part one agenda.</i></p> <p><b>(ii) <u>Report of the Remuneration Committee meeting held on 22<sup>nd</sup> June 2016</u></b></p> <p>The Board had received the report of the Remuneration Committee and the Chair outlined the key issues which were noted. The Clerk was asked to withdraw and when she returned to the meeting, she was asked to note the following minute:</p> <p><b>Having considered the position, the Board formally approved the recommendation of the Remuneration Committee that the contract for clerking services with Pam Robertson's company (A.P. Management Solutions Ltd) be offered for another 1-year appointment on the basis of 2 days per week (0.4 FTE) with effect from 10<sup>th</sup> August 2016. The appointment would be kept under review by the Chair.</b></p> <p><i>At this point in the meeting, Ron Crank left.</i></p> <p><b>(iii) <u>Use of the Seal</u></b></p> <p>The Board had received a paper on the use of the seal and agreed that, in order to enter into the current contract and to establish arrangements for use of the seal in the future, the Board formally authorised the Chair or Vice-Chair generally to authenticate the seal, where it is required by law, with the signature of any other member (usually the Principal), in accordance with the College's Financial Regulations. Any occasion where the seal had to be used would be reported to the Board.</p>	

Minute Number	Minute	Action
17/16	<p data-bbox="316 271 635 300"><b><u>Finance &amp; Audit Issues</u></b></p> <p data-bbox="316 342 1098 409">(i) <b><u>Report of the Finance &amp; Estates Committee Meeting held on 13<sup>th</sup> June 2016</u></b></p> <p data-bbox="316 450 1086 517">The Report of the Finance &amp; Estates Committee had been circulated and the Chair outlined the key issues.</p> <p data-bbox="316 595 1123 1021">a) <b><u>Current Financial Position 2015/16</u></b> –Overall, the Management Accounts indicated that the College was likely to achieve the surplus previously reported although there had been some variations within the Accounts, particularly reductions in income and reduced staffing costs. Since the meeting of the Finance &amp; Estates Committee, the May 2016 Management Accounts had been published and circulated to all members. The Chair thanked Anne Whitworth for the work she had undertaken in modifying the Accounts so that they were more user-friendly.</p> <p data-bbox="316 1061 1139 1375">b) <b><u>The Budget 2016/17 and Financial Forecasts 2016-2018</u></b> – The Chair explained that the Budget for 2016/17 and the Financial Forecasts 2016/18 had been revised in detail. As required by the Funding Bodies, these had been prepared on the basis that the College was continuing as an individual institution, although work has also been undertaken in parallel on financial forecasts for the merger. The following key points were noted:</p> <ul data-bbox="363 1384 1139 2018" style="list-style-type: none"> <li>• In 16/17, the surplus 1% of income fell short of the sector target of 3% and the pay to income ratio was 71% against sector target of 65%. As a stand-alone, the College was not meeting targets and the Finance &amp; Estates Committee would expect to review this position in detail if there was no merger.</li> <li>• Lagged funding from the EFA was known but the College needed to earn SFA income.</li> <li>• Growth had been assumed in HE.</li> <li>• The College hoped to generate more grant income from Apprenticeships but this was an area where the funding was not guaranteed.</li> <li>• The staffing budget had been based on the assumption that all posts would be filled throughout the year, but, in reality, there would be some savings in-year from vacancies.</li> <li>• The staffing costs were based on the curriculum plan</li> </ul>	

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	<p>The Board queried who decided what would be defined as exceptional costs. It was noted that the decision would be made initially by the SLT and then recommended to the Finance &amp; Estates Committee. The Auditors would also have a view.</p> <p>The Chair explained that the SFA had recently written to the Chair and the Principal to emphasise the importance of Governors scrutinising College financial plans to ensure that they were robust and fit for purpose. The SFA had published a checklist for testing financial planning assumptions and this was presented to the Boards as evidence of the process used within the College.</p> <p><b>On the recommendation of the Finance &amp; Estates Committee, the Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Approved the Budget 2016/17 and the Forecasts 2016/18, outlined in Appendix A to the paper.</b></li> <li>• <b>Reviewed and accepted the checklist in Appendix B as evidence of the College's financial planning considerations.</b></li> </ul> <p>c) <b><u>Updated Health, Safety and Environmental Policy</u></b>  The Chair of the Committee explained that the updated Policy had been reviewed in some detail and the Committee had asked for number of changes which had been made.</p> <p>There was a discussion about the Policy and it was noted that the constitution of the Health, Safety &amp; Welfare Committee should be called the "terms of reference". The Board requested that these included a note that the Link Governor for Health &amp; Safety could be invited to attend the meetings. Governors also agreed that this Policy would be subject to an annual review.</p> <p><i>At the conclusion of the Report of the Finance &amp; Estates Committee, it was noted that Ian Child was stepping down after this meeting. The Chair took an opportunity to thank him for his huge contribution to the Board and his unstinting support and loyalty.</i></p> <p>(ii) <b><u>Report of the Audit Committee meeting held on 16<sup>th</sup> June 2016</u></b></p> <p>The Board had received the Report of the Audit Committee and the Chair outlined the key issues as follows:</p>	<p><b>Action: Head of Facilities</b></p>

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	<p>a) <b><u>External Audit Plan for Audit of the Financial Statements 2015/16 and Regularity Audit</u></b> – The Board approved this Plan on the recommendation of the Audit Committee, and noted that the External Auditors would be providing a detailed outline of key deliverables.</p> <p>b) <b><u>Accounting Policies related to the new SORP/FRS 102</u></b> – It was noted that the new Statement of Recommended Practice (SORP), reflecting the changes to UK Generally Accepted Accounting Practice (GAAP) following the issue of FRS 100, 101 and 102 was effective for financial years beginning on or after 1 January 2015. This combined the requirements for both further and higher education institutions and the Corporation needed to decide upon the relevant accounting policies to be adopted. The key changes were in respect of the treatment of Government grants and the revaluation of fixed assets. As far as grants were concerned, the treatment of revenue grants remained unchanged and they would continue to be treated as income in the year to which they related/were earned. For Capital grants, there was an option to record the grant upon completion of the capital project or regard it as deferred income which was released to the Income and Expenditure Account over a number of years in line with the depreciation of the asset. It was agreed that capital grants should continue to be treated as deferred income.</p> <p>As far as revaluation was concerned, it was suggested that it might be possible to separate land and buildings and seek revaluation of land only which would, potentially, strengthen the balance sheet. This would need to be done prior to the audit of the Accounts by a Chartered Surveyor and would incur a cost. The value would be at 1<sup>st</sup> August 2014 as a “once-only” opportunity. Alternatively, the College could choose not to revalue, particularly, if the College was to seek a loan at any stage, then a revaluation would take place. The Board was not minded to revalue its land and buildings, but the Interim Director of Finance was asked to explore the possibility and costs of revaluing land only and report back to the Board on the outcomes.</p> <p>The Board also noted that there were two other changes in the SORP to be noted in respect of short-</p>	<p><b>Action:</b> <b>Interim Director of Finance</b></p>

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	<p>term employment benefits (holiday accrual) and the method for calculating net interest on the net pension deficit which would be calculated by the LGPS Actuary.</p> <p>c) <b><u>Internal Audit Needs Assessment and Strategic and Annual Plan</u></b> – The Plan was approved by the Board on the recommendation of the Audit Committee.</p>	
18/16	<p><b><u>Curriculum &amp; Quality Issues</u></b></p> <p>(i) <b><u>Report of the Quality &amp; Standards Meeting held on 19<sup>th</sup> May 2016</u></b></p> <p>The Report of the Quality &amp; Standards Committee had been circulated. In the absence of the Chair, the Vice-Principal outlined the key issues as follows:</p> <p>a) <b><u>Update on Teaching, Learning and Assessment</u></b> –The Committee had been particularly interested to understand the links between observations and the Professional Development Review Scheme and how the College shared good practice between teams. These issues would be reviewed for the next meeting.</p> <p>b) <b><u>Update on the QIP</u></b> – The Committee had reviewed the mid-year review of the QIP and noted the new RAG ratings which were helpful in understanding key areas of concern. The main focus was on arrangements for Maths and English, retention, attendance and related MIS issues. The Vice-Principal emphasised that English and Maths and Functional Skills for Adults remained a challenge. Julia Vincent had been very helpful in supporting this area and it would remain a key area for review by Ofsted.</p> <p>c) <b><u>Update on Marketing &amp; Customer Engagement</u></b> – The new Head of Marketing &amp; Communications had attended the meeting and outlined the work which had been undertaken since her appointment, particularly a much higher engagement with social media, development of the website, differentiated marketing campaigns for different market segments and work with Careers Advisors in partner schools. Work was being undertaken on the website, notwithstanding the need to ensure that it was “future-proofed” for the merger. The Board was mindful that this area would now fall to the responsibility of the Finance &amp; Estates Committee (as agreed earlier in the meeting) so that there was close scrutiny on the return on investment in this area. It</p>	



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	<p>was recognised that there would be a need for some aspects of marketing to come before the Standards &amp; Quality Committee from time to time.</p> <p><b>d) <u>Employer Engagement</u></b> – The Board was pleased to note the work being undertaken in growing and broadening the College's Apprenticeship offer and develop a full-cost recovery programme. Given the financial implications, aspects of the Employer Engagement Strategy would need to be kept under review by Finance &amp; Estates Committee.</p> <p><b>e) <u>Curriculum Planning</u></b> –The Board noted particularly that work was already in train for joint future planning with Havant College. Overall full-time applications forecasts suggested that student recruitment in September 2016 could be below target as the numbers of full-time reapplications and continuing students were lower. The distribution of applications for different courses was very variable.</p> <p><b>f) <u>Student Services Report</u></b> – The Head of Learner Services had provided a report to the Committee including an updated on Safeguarding and PREVENT. It was noted that the College had made its first PREVENT referral. This area has undergone a major restructuring to develop a flexible structure which supports student and staff requirements. The Board's attention was particularly drawn to the importance of Health and Wellbeing and effective engagement with students, as a key strategy in supporting student retention.</p> <p><b>g) <u>Risks for the Standards &amp; Quality Committee</u></b> - The key risks identified on the Risk Registers for the Committee were those which emerged from the QIP update, particularly 19+ success rates, Maths &amp; English success rates, and had been discussed during the meeting. It was suggested that consideration should be given to using the risk registers to set the agenda, thus enabling committees to focus on the most important areas. This proposal was subsequently discussed at the Search &amp; Governance Committee and will come forward as part of the proposals emerging from the Code of Good Governance.</p> <p><b>h) <u>HE</u></b> – The Committee had received a report on HE and particularly welcomed the case studies which were provided with the report as these gave Governors a very clear overview. The Vice-Principal reminded Governors of the importance of the Board's oversight of the HE Strategy, in accordance with HEFCE requirements and it was agreed that consideration would be given to ways of strengthening this, possibly</p>	<p><b>Action: Clerk</b></p>

Minute Number	Minute	Action
	<p>via an HE Student Governor and/or other mechanisms.</p> <p><b>(ii) <u>Update on Ofsted Issues</u></b></p> <p>Following the recent training event, the Vice-Principal reminded the Board that a further session would be held early in the new academic year. The College was anticipating an inspection during 2016/17.</p>	
19/16	<p><b><u>Dates of Meetings in 2016/17</u></b></p> <p>The meetings calendar was agreed and it was noted that meetings shown in brackets would only be convened if required. The Clerk would advise 1 week before the date.</p>	
At the conclusion of the meeting, the Chair wished everyone an enjoyable summer break and looked forward to the new academic year.		

**Meeting ended at 7.55 pm**

**Signed:.....Date:.....**