

THE SOUTH DOWNS COLLEGE CORPORATION

Minutes of the meeting held at 5.30 pm on Thursday 6 December 2007 in the Committee Room

Present: Andrew Turner (Chairman), Frederick Allgood, Richard Andrews, Gwen Blackett, Scott Carless, Yvonne Elliott, Louise Farn, Wendy Gisborne, Stephenie Linham, Michael Oakes (Principal), Philip Robinson,

Apologies: Donna Kinnair, David Rowlinson, Patricia Thompson, Yvonne Weeks, Tony Welch

In Attendance: John Manterfield, Clerk to the Corporation
Julius Mach, Head of Finance
Susan Grantham, Minuting Secretary

The Chairman welcomed Scott Carless as the second student governor and outlined the format of meetings.

703. Minutes (Circulated with the agenda)

The Minutes of the meeting held on Thursday 8 November 2007 were AGREED whereupon the Chairman SIGNED the minutes.

704. Appointment of Student Member

On the proposal of the Chairman, the appointment of Scott Carless as student member duly nominated and elected by the students of the College, under Clause 2 (1) (d) of the Instrument of Government, for a period of 2 years (or until such time as he ceases to be a student of the College) was unanimously AGREED.

705. Committee Membership

The Clerk referred members to the vacancy that existed on the Premises Committee as reported to the last meeting and advised Donna Kinnair had expressed an interest to serve.

On the proposal of the Chairman, the appointment of Donna Kinnair as a member of the Premises Committee for a period of 2 years until 5 December 2009 was unanimously AGREED.

706. Ofsted Inspection Report October 2007 (Doc.C07/28 was circulated with the agenda)

The Principal noted the Ofsted inspection report was some 2000 words in length and the 'lighter touch' inspection over two days had been most rigorous. The summary of grades were listed on page 5 and he read from the Inspector's record of main findings noting that every grade across the College was Grade 1 'outstanding', except for two areas. The attendance of learners was 'good' at 88% - 90% would have made it outstanding, and the take-up of the enrichment programme was 'good'. Improvement targets for both were being set in the College Operational Targets for 2008. South Downs was the largest College in the south east, except one that was the result of a merger of three colleges, with 5000 full-time and 7000 part-time students, 1300 staff on the payroll and a turnover of £32 million. HMI had also referred to the introduction of the government funded work-based learning programmes following the Leitch Report. The Principal had already engaged the public sector consultants Tribal who had met with him and a number of staff to look at new markets for adults, e.g. apprenticeships. If this route was followed it would need to be done well and in line with the culture and ethos of the College. Key strengths in the Inspection Report included governance. Inspectors had looked at induction programmes and met with a range of students and many staff including Heads of Curriculum. Leadership and management

right across the College was 'outstanding'. The Chairman had attended the reporting feedback with Inspectors.

Yvonne Elliott distributed the Enrichment Programme and noted staff had been very disappointed with the modest participation figure of 780 for 2006/07, compared with 1400 the previous year. HMI had been impressed with the extensive programme of some 90 activities closely mapped to Every Student Matters. Staff were investigating why students don't participate and listening to students about what they want. Good progress was already being made and to date 1500 students were enrolled. The programme was being re-launched in January with some changed timings and shorter bursts to target and fit in with courses. Stronger links were being developed with the Arts and Sciences Faculty and through the tutorial system. The two student governors noted that often enrichment does not fit into students' timetables and some A Level students prefer to concentrate on their main course of study. Scott Carless suggested certificates may be an incentive and Yvonne confirmed certificates had been issued in the past and were being re-introduced.

Phillip Robinson offered congratulations to the College for its remarkable success and referred members to the penultimate sentence in Para 1 in terms of College value-added – 'GCSE results at age 16 in the college's partner schools are below the national average'. Freddie Allgood noted the College was meeting the educational and training needs of the community it serves. Gwen Blackett noted the superb enrolment figures.

The Chairman noted the fantastic report was now history and asked how in eighteen months Governors could test levels of achievement. The Principal advised he would be talking about quality assurance issues to governors in March as well as government priorities, the funding methodology and responding to the Leitch Report and the new diplomas. He wished the inclusive College ethos to continue to include students with learning difficulties and disabilities and also noted the more academic profile of the intake. He had recently completed his individual meetings with Heads of Curriculum to review their Self-Assessment Reports. English and Modern Foreign Languages, was graded 'outstanding' as was Mathematics with over 100 A Level Mathematicians. One or two areas were graded 'good' and the College always strived to do better looking to raise achievement across the piece. Internal inspections will continue across curriculum areas of the College, including input from inspectors. It was to the great credit of students and staff that 673 students progressed to higher education in September.

The Ofsted published report was RECEIVED.

707. Search Committee
(Doc.C07/29 was circulated with the agenda)

The Chairman noted the Search Committee's recommendation to appoint Yvonne Weeks as agreed at the last meeting. He reminded members that one community vacancy remained.

The minutes of the meeting held on 8 November 2007 were RECEIVED.

708. Standards and Quality Committee
(Doc.C07/30 was circulated with the agenda)

The Chairman referred to the importance of the Committee and the Principal's earlier comments on the work to raise achievements.

The minutes of the meeting held on Monday 12 November 2007 were RECEIVED.

709. Audit Committee

- (i) Minutes
(Doc.C07/31 was circulated with the agenda)

In Donna Kinnair's absence the College Secretary noted the Committee had recommended reports as detailed separately on the Corporation agenda.

The minutes of the meeting held on 15 November 2007 were RECEIVED.

- (ii) Annual Report of the Internal Audit Service for the Year 2006-2007
(Doc.C07/32 was circulated with the agenda)

The College Secretary noted Doc. C07/32 was the report of RSM Bentley Jennison and referred members to the Opinion given in Para 3. Para 4.2 reported operational assurance as Good (the highest standard available) for all seven areas. The summary of Conclusions and Recommendations for audits carried out during the year was given on page 6; all 6 reports receiving substantial assurance and only 4 merits attention recommendations. Good progress was recorded on the follow-up report. Benchmarking figures (Para 5.1) showed substantial assurance for all audits in 2006/07 and 2007/08 and compared an average of 1.90 Merits Attention recommendations per report in 2006/07 with 0.66 in 2007/08. The Committee were very satisfied with the report.

The annual report of the Internal Audit Service for the year ended 31 July 2007 was AGREED.

- (iii) Audit Committee's Annual Report 2006-2007
(Doc.C07/33 was circulated with the agenda)

The College Secretary noted the Audit Committee agreed to recommend its Annual Report to the Corporation with the endorsement that the Committee confirms to the Corporation the adequacy and effectiveness of the College's internal control system and the extent to which it can be relied upon. The Report complied with the requirements of the LSC's Audit Code of Practice, and the results reported accorded with the report prepared by RSM Bentley Jennison. The Audit Committee's attendance during the year was 83%. The report also commented on the work of Tenon Group Limited and their Management Letter.

In response to Phillip Robinson, the College Secretary noted the Committee were very satisfied with the work of RSM Bentley Jennison. The turnaround time of draft reports had been 21 days compared with a standard of 19 the previous year and the Committee had quizzed the auditors accordingly. Already this current year the standard was much improved.

The Audit Committee's Annual Report for the year ended 31 July 2007 was AGREED.

- (iv) Re-appointment of financial statements and regularity auditors and internal audit service provider

The College Secretary outlined the comments of the Audit Committee and noted that very few firms now offered a specialist service for FE Colleges.

It was AGREED, on the recommendation of the Audit Committee (15.11.07) that Tenon Audit Limited be re-appointed as financial statements and regularity auditors and RSM Bentley Jennison Limited as internal audit service provider for the financial year 2007-2008 and the Principal be authorised to sign Letters of Engagement.

- (v) Audit Needs Assessment
(Doc.C07/34 was circulated with the agenda)

The College Secretary noted the report had been prepared in consultation with him and the Head of Finance as detailed. Three audits had already been carried out with the remainder taking place in the new year.

The Internal Audit Needs Assessment Update and Periodic Plan for the year 2007-2008 was AGREED.

710. Remuneration Committee
(Doc.C07/35 was laid around the table)

The Chairman noted the remit of the Committee to determine the salaries of the senior postholders – the Principal and the College Secretary. The Committee had looked carefully at salaries and determined them accordingly.

The minutes of the meeting held on Thursday 22 November 2007 were RECEIVED.

711. Finance and Employment Committee
(Doc.C07/36 was circulated with the agenda)

Stephenie Linham noted that following the tendering process the College's current cleaning contractors, MITIE Cleaning and Support Services Limited, had been appointed for a period of 3 years.

The minutes of the meeting held on 22 November 2007 were RECEIVED.

712. Reports and Financial Statements for the year ended 31 July 2007
(Doc.C07/37 was circulated with the agenda)

The Principal conveyed thanks to the Head of Finance for the set of accounts which are very clear and show the College in a strong position. The document had already been to the Audit Committee and been agreed by the Finance and Employment Committee. The Chairman invited the student governors to ask questions or raise any queries with the College Secretary or Head of Finance. The Principal highlighted key areas and offered to take any questions.

Members were referred to the penultimate sentence of the penultimate paragraph on the first page – 'The underlying position of the college is good, the general reserve balance has been held at just under £1,000,000 and cash balances have increased by just over £360,000.' Turnover was £30 million, College staff continued to be paid well, well above other institutions and had received a 5.5% pay increase; much additional equipment for students had been purchased; the North West Building had been completed. The surplus at the end of July was just under £1 million.

The Head of Finance outlined FRS 17 (accounts for Pensions) which referred to the Local Government Pension Scheme for support staff, noting that some £100,000 was set aside each year for the short-fall to be written off over 25 years.

Doc.C07/37b - Report and Financial Statements for the Year ended 31 July 2007. The Principal noted the opinion of Tenon Audit Limited (page 17), as laid down by statute, the Income and Expenditure Account (page 18) which detailed income streams of some £27 million from the funding council towards a total income of £30 million, and expenditure; the balance sheet (page 20); and further details of the funding grants (page 26). There was no borrowing.

In response to Yvonne Elliott on the change of funding methodology, the Principal noted that as from 2010 the LSC would not longer be responsible for 14-19 funding which would be received through Local Authorities.

A revised page 10 – Members’ report – was laid around the table, taking into account membership changes that had occurred at the meeting.

Doc.C07/37c – The External Auditor’s Management Letter – The College Secretary noted the report had been considered by the Audit Committee who had commented adversely on the landscape format. He confirmed there were no issues in the report that governors need to be aware of. There were no adjustments (page 4), no matters of weakness in the control system and Tenon Audit Limited had given an unqualified regularity opinion.

Doc.C07/37d - Management Accounts – The Principal referred members to the last column on page 2 – Income, In year surplus, building projects of £1.3 million and additional items of approximately £1 million. Further detail was on page 9 with a zero figure for equipment which was spent on the current cohort of students each year. The College maintained a position of considerable strength with no debt for buildings.

On the proposal of the Chairman it was AGREED that

- (i) Members’ reports (pages 3-15) and financial statements (pages 18-43) for the year to period 31 July 2007 be approved (to include the revised page 10 laid around the table).
- (ii) The Principal and Chairman be authorised to sign the members’ reports, the financial statements, and the letter of representation to the auditors, on behalf of the Corporation
- (iii) The external auditors’ management letter be RECEIVED.
- (iv) The management accounts for the year to 31 July 2007 be RECEIVED.

713. Revenue and Capital Financial Monitoring 2007-2008
(Doc.C07/38 was circulated with the agenda)

The Principal advised a revised budget would be presented to the Finance and Employment Committee in February and to the Corporation in March. The College had grown by 5% in full-time 16-19 numbers, there had been a slight reduction for adults, and the College remained in a strong position.

The financial monitoring was RECEIVED.

714. Date of Next Meeting

The date of the next meeting was CONFIRMED for 5.30 pm on Thursday 13 March 2008

The Chairman concluded the meeting offering congratulations for the Ofsted Inspection Report, particularly to the staff who have worked incredibly hard. Governors considered the Ofsted report a fantastic achievement.

[The meeting was declared closed at 6.40 pm]