

THE SOUTH DOWNS COLLEGE CORPORATION

Minutes of the meeting held at 5.45 pm on Thursday 10 December 2009 in the Committee Room

Present: Andrew Turner (Chairman), Frederick Allgood, Richard Andrews, Gwen Blackett, Joshua Bulleyment, Yvonne Elliott, Sandra Jowett, Donna Munday, Laxmi Neave, Michael Oakes (Principal), Patricia Thompson, Madeleine Wade

Apologies: Stephenie Linham
Tony Welch

In Attendance: Lucy Manning, Head of Student Services and Marketing (Minute 802)
John Manterfield, Clerk to the Corporation
Julius Mach, Head of Finance
Susan Grantham, Minuting Secretary

The Chairman welcomed Professor Sandra Jowett, Pro Vice Chancellor University of Chichester – agenda item 3 and Lucy Manning, Head of Student Services and Marketing agenda item 4.

800. Minutes (circulated with the agenda)

The minutes of the meeting held on Thursday 12 November 2009 were AGREED whereupon the Chairman SIGNED the minutes.

801. Corporation Membership (Doc.C09/31 was circulated with the agenda)

The Clerk referred to discussions at the last meeting (Minute 792, 12.11.09) when it was agreed he would approach the University of Chichester for a nomination for the post of governor. He was pleased to welcome Professor Sandra Jowett, Pro-Vice Chancellor (External Relations, Research and Employer Engagement) and her CV had been distributed with the agenda (Doc C09/31).

On the proposal of the Chairman the appointment of Professor Sandra Jowett, Pro-Vice Chancellor of University of Chichester, for a period of 4 years under Clause 2 (1)(a) of the Instrument of Government, was AGREED unanimously.

802. Safeguarding Training

The Principal introduced Lucy Manning, Head of Student Services and Marketing, who is the Designated Person for Safeguarding in the College, alongside the Principal, and she leads training across the College on this tremendously important subject.

Copies of the presentation were laid around the table and include a section for staff with quizzes and case studies to ensure they understand the processes and procedures. Lucy Manning highlighted the following aspects -

- The range of College students including Foundations for Learning (LDD) and many other vulnerable students in the community.
- All staff and governors need to be clear about responsibilities; how to respond to a disclosure.
- All have a duty to ensure students are protected from abuse and harm.
- To be aware of signs and symptoms that may present themselves in addition to those of physical abuse – changes in behaviour, hunger, inadequate clothing.
- The College's support services – counselling team; nurses giving nutritional advice; meal vouchers.
- Clear guidelines if a young person or vulnerable adult reveals an issue about abuse; process for statement to hand to designated person as soon as possible.

- List of 'Don'ts' and the need to keep yourself safe – cannot offer confidentiality, don't make judgements, don't use touch to comfort.

In summary child protection is the responsibility of us all whatever our role; the procedure upon disclosure remains the same. The protection of children and vulnerable adults is emotive. It is not our place to judge the situation or assess the facts. We do not need proof to share our concerns appropriately. Always take disclosures seriously and follow the correct College procedures. Abuse is most likely to occur in the home.

The Principal advised that Lucy Manning discusses serious cases with him. Every Child Matters is always at the centre and the student is always put before the parents; allegations must be listened to and taken seriously. Decisions taken are always about protecting the individual. The College's support services include two nurses and three counsellors and a lot of money is spent on these services that Lucy Manning leads so well. The Principal receives an annual report from counsellors (no names divulged). The College on average makes 1 or 2 referrals a week to Children's Services – on disclosure some students are then found to be already on a children's plan. Lucy Manning works closely with the police and attends the Safer Havant Partnership meetings.

The Chairman thanked Lucy Manning for her presentation which was RECEIVED.

803. Remuneration Committee

(Doc.C09/32 was circulated with the agenda)

The Chairman noted the remit of the Remuneration Committee (the Chairman, Vice-Chairman and Chair of Audit) to determine the salaries of the two senior postholders – the Principal and College Secretary. The Committee had reviewed the salaries and determined them accordingly for the year effective from August 2009.

The minutes were RECEIVED.

804. Finance Issues

(i) Financial Statements for the year ended 31 July 2009

(Doc.C09/33 was circulated with the agenda comprising -

Doc.C09/33 (a) – Covering Report

Doc.C09/33 (b) – Members' report (Pages 3- 9) and financial statements (pages 22-44)

Doc.C09/33(c) – External Auditors' management report

Doc.C09/33(d) – Management Accounts for the year)

The Principal thanked the Head of Finance for the presentation of the Accounts for the year ended 31 July 2009.

He referred members to para 2 of the covering report Doc C09/33(a), that the College remains in a strong financial position having paid for the North West Building 2 and the Studio Café with no borrowing. During the year staff had been paid a 5% pay increase and £900,000 was spent on equipment. The College was fully staffed with high calibre staff, teaching and support, and was the largest educational institution in Hampshire. A number of reconciliation issues were detailed on the second page, including an FRS 17 adjustment over 25-40 years relating to the Local Government Pension Scheme, a funded scheme for support staff. (Cllr Freddie Allgood declared an interest as Trustee of the Hampshire Local Government Pension Scheme).

Doc.C09/33(b) - members' reports and financial statement for the year to 31 July 2009. The Principal highlighted the Financial Position (page 5) and paras 11-18 – the general reserve of £518,000, after spending £2.5 million on buildings, £900,000 on equipment and a pay rise of 5%. Staff across the board at South Downs get paid more than other institutions. The Income and Expenditure Account (page 22) indicated the vast proportion of income, £29.8 million, from the LSC. £25.4 million out of £34.7 million expenditure is on staff costs.

Doc.C09/33(c) - the external auditor's management report noted there were no independence issues and no accounting issues or adjustments that they wish to draw to the Governors' attention. They had issued an unqualified regularity opinion and there were no significant issues that they wish to draw to the attention of Governors.

Donna Munday noted it was very good to get such a report and there is a strong Audit Committee.

Doc.C09/33(d) - financial monitoring to 31 July 2009. The Principal highlighted (page 2) LSC income of £29.399 million out of a total income of £34.240 million, the paybill of over £25.5 million, the retained surplus as a percentage of annual income of 1.5%. Page 11 details the number of learners and allocations for the various funding streams.

- (ii) Doc.C09/34 Revenue and Capital Budget 2009-2010, page 11 outlined the learner numbers and allocations for the current year against the three key targets – 16-18; adult learner responsive; 19+ employer responsive (Train to Gain and Apprenticeships). Additional Learner Support (ALS) represented funding for support to students who need extra tuition. The lion's share of the College's funding, 83%/84%, is for 16-18 year olds and column 3 shows the current year's allocation - £24.534 million. The allocation for 19+ learner responsive, £4.067m, has been exceeded and column 5 shows the total spending of £4.478m. Accordingly, the Principal had withdrawn some part-time classes planned to start in January. The 19+ employer responsive allocation for the current year is £400,000 compared with £600,000 for last year as the government had run out of money. The Additional Learner Support budget was £1.5 million. 2000 out of 5000 students are on Education Maintenance Allowance. This year, possibly due to the recession, there had been a significant increase in full-time adult students and more 16-18 year olds. During the current year staff had received a 2.3% pay increase; there is no borrowing; there will be a smaller surplus at the end of the year and less spent on capital equipment. A revised page 9 was laid around the table and gave the latest position on cashflow up to the end of November.

Richard Andrews noted it was a remarkable achievement to have a surplus although the size of this had reduced. The Principal responded noting the increase in numbers and the completion of capital projects. In response to Sandra Jowett on the factors for success, the Principal advised everyone knows exactly what they are supposed to do; cost centre managers know what is expected of them; there is a small Senior Management Team and clarity of objectives. Principles of inclusivity and excellence run throughout the organisation and our core business is funded by the government. The Principal meets with the College Secretary and Head of Finance every week. Patricia Thompson asked about the LSC payment profile and the Principal advised this was agreed at the start of the year – in the first 8 months the College receives 61% and for the last four months it is 39% of funding. Freddie Allgood noted a strength is that the reserves are high.

On the proposal of the Chairman it was AGREED

- (i) That the members' report (pages 3–9) and financial statements (pages 22-44) (Doc.C09/33(b)) be APPROVED.
- (ii) That the Principal and Chairman be authorised to sign the members' report, the financial statements, and the letter of representation to the auditors, on behalf of the Corporation.
- (iii) That the external auditors' management report (Doc.C09/33(c)) be RECEIVED.
- (iv) That the management accounts for the year (Doc.C09/33(d)) be RECEIVED.
- (v) That the Enrolment monitoring to 26 November 2009 and the revenue and capital monitoring to 31 October 2009 be RECEIVED and the revised budget 2009/2010 be APPROVED.

(iii) Other Monitoring

(a) Student Union
(Doc.C09/35 was circulated with the agenda)

The College Secretary noted that reporting was required under the Education Act 1994. There had been no complaints brought under a Complaints Procedure. The Union had been active with a number of events and raised quite a lot of income from the sale of NUS Student Union Cards. They had grown in their reserves and given the very healthy position, the Corporation is asked to consider not making a further grant to the Union in this financial year as there are no clear plans to use the considerable surplus, which now approaches £14,900.

It was AGREED

- (i) That the Union's accounts for 2008-2009 containing details of any external organisation to which the Union has made donations or has affiliated be RECEIVED, and
- (ii) That the Union's budget for 2009-2010 be APPROVED.

(b) Learner Support (Access) Funds 2008/2009 and 2009/2010
(Doc.C09/36 was circulated with the agenda)

The College Secretary noted that Learner Support Funds were used to support largely 16-18 year old students, in a variety of ways. £116,933 had been spent in financial assistance towards childcare costs to parents on both full-time and part-time courses. £13,470 was distributed to ESOL students (English for Speakers of Other Languages). Monies had also been distributed to help students while the EMA system encountered problems at the beginning of the 2008-09 academic year.

The report was RECEIVED.

805. Employment Issues

(i) Staffing Report
(Doc.C09/37 was circulated with the agenda)

The Principal noted the staffing report had in the past been reviewed by the Finance and Employment Committee. He referred to the promotions on page 3. The Senior Lecturer Teaching Mentors are a strong team who promote and encourage other teachers to become better teachers and, from a very strong field of 37, he had promoted a further four staff to this position, and two assistant senior lecturer teaching mentors. He had also promoted a member of staff to the position of Senior Lecturer in Modern Languages and a new Quality Manager, Richard Barlow, whom governors had met at the last meeting. He considered it was tremendously important for people to be promoted and remain in the classroom.

The report was RECEIVED.

(ii) Local Government Pension Scheme (LGPS)
(Doc.C09/38 was circulated with the agenda)

The College Secretary noted the Finance and Employment Committee (25.06.09) agreed how various discretionary powers under the Local Government Pension Scheme could be operated. Following submission of the scheme, officers from the Pension section advised that the College must also have a specific policy in respect of flexible retirement. This relates to those over 55 but before the age of 60 who wish to reduce their workload or grade as a step down before retirement. There is a cost involved in most cases and the proposal is that the College would consider each case on its merits having regards to any

costs involved and the benefits to the College from the changes in hours and/or reduction in grade. The College had consulted with UNISON who are supportive of the proposal.

On the proposal of the CHAIRMAN it was AGREED that the exercise of discretionary powers under the Local Government Pension Scheme as agreed by the Finance and Employment Committee (25.06.09) be supplemented by the addition of the power set out in paragraph 9 of Appendix 1 with effect from 11 January 2010.

806. Audit Committee

(i) Minutes

(Doc.C09/39 was circulated on 4 December)

Donna Munday noted the Committee had considered the internal audit report of the Refectories which had received substantial assurance with no recommendations and good feedback had been received from students. The Bentley Jennison's Risk Management Thematic Review had graded the College as Risk Managed and their report of all Colleges indicates that South Downs is well placed with other colleges and has many instances of good practice. The IT Review noted that practices and processes were already good but the documentation was not as good as it should have been, which has now been rectified. The Internal Audit Annual Report concluded that the College has adequate and effective risk management processes, effective control processes and effective governance processes to manage the achievement of the organisation's objectives. Paragraph 12 of the Audit Committee's Report notes that the committee continually seeks the highest standards and accordingly the two IT audits which had received adequate assurance will be followed up in the current year to aspire to substantial assurance in line with other reports. It was also pleasing to note that the Committee achieved 92% attendance during the year. The previous year the internal auditors had been slower in submitting reports but this has now improved. Jenny Ilsey, client manager of the external auditors had congratulated the Head of Finance and his team for fantastic work and processes and procedures which are doing the College proud.

The minutes of the meeting held on 30 November 2009 were RECEIVED.

(ii) Annual Report of the Internal Audit Service for the Year 2008-2009

(Doc.C09/40 was circulated with the agenda)

Donna Munday reported in depth discussions had taken place, the Committee had received the report for recommendation to the Corporation, and she would be happy to take any questions.

On the recommendation of the Audit Committee, the annual report of the Internal Audit Service for the year ended 31 July 2009 was AGREED.

(iii) Audit Committee's Annual Report 2008-2009

(Doc.C09/41 was circulated with the agenda)

Donna Munday advised the committee recommended the report to the Corporation.

On the recommendation of the Audit Committee (20.11.09) the Committee's Annual report for the year ended 31 July 2009 was AGREED.

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

(Doc C09/44 was laid around the table)

The College Secretary referred to the report (C09/44) laid around the table and advised that the College had received notification the previous day of the intention of Tenon plc (the College's external and regularity auditors) to merger with RSM Bentley Jennison (the College's internal audit service provider) on 30 December 2009. It was not permitted under

the LSC's Audit Code of Practice to have the same internal and external auditors. Accordingly it was proposed that he and the Head of Finance prepare a report for a meeting of the Audit Committee to be held in January to determine the appointment process and timescale for new financial statements auditors and a new internal audit service provider in time for the incoming external auditors to undertake preparatory work on the 2009/2010 financial statements. Meanwhile it was proposed that RSM Bentley Jennison (and RSM Tenon with effect from 30 December 2009) be reappointed as internal audit service provider to complete the internal audit plan by 31 March 2010.

On the proposal of the Chairman, it was AGREED

- (i) That RSM Bentley Jennison (and RSM Tenon with effect from 30 December 2009) be reappointed as internal audit service provider to complete the Internal Audit Plan by 31 March 2010.
 - (ii) That no appointment be made as financial statements auditor and regularity auditor for the time being.
 - (iii) That the College Secretary and Head of Finance prepare a report for an Audit Committee meeting to be held in January 2010 to determine the appointment process and timescale for new financial statements auditors and a new internal audit service provider in time for the incoming external auditors to begin preparatory work on the 2009/2010 financial statements
- (v) Financial Management Control Evaluation (FMCE)
(Doc.C09/42 was circulated with the agenda)

The College Secretary advised the Audit Committee had considered the Framework For Excellence arrangements for FMCE. The Audit Committee (20.11.08) had previously discussed last year's report in a lot of detail and agreed the overall grade of outstanding which was submitted to the LSC in December 2008. On 31 March 2009 the LSC had agreed our grading. This year the LSC had given an option to colleges that do not wish to change last year's overall self-assessed grade and where there had not been any significant changes in the organisation, to opt to submit a short FMCE return consisting of Parts 1 and 2 (attached as an appendix to Doc.C09/42). The College considers there are no changes and the Audit Committee agreed.

On the recommendation of the Audit Committee (30.11.09) it was AGREED to approve the submission of Form A (parts 1 and 2) to the LSC.

807. Principal's Annual Report to the Corporation
(Doc.C09/43 was circulated with the agenda)

The Principal thanked governors for their involvement during the year with particular thanks to the Chairman for his support. The report follows a similar format to that of previous years. He highlighted retention and achievement statistics (page 2) and noted that 16-18 Level 3 courses (BTEC and A Level equivalent) compared well with national averages. The College's A Level results this year had been particularly successful. 728 students had progressed to higher education (page 5) and 482 had chosen to study locally. 3 had gone to Cambridge and two to Oxford (one was reading classics at Balliol and one reading music and classics). Enrolment as at 1 October, page 10, showed 5737 full-time and 6209 part-time students. Part-time numbers had been much higher a few years back when leisure courses were funded. Inclusion data (pages 10 and 11) indicates students with learning disabilities/difficulties, students receiving additional learning support, students with Education Maintenance Allowance and widening participation based on postcode, representing a wide range of support. Unclassified students (171) relates to 14-16 year olds from local schools attending one day a week on vocational courses.

Building projects (page 12) have all been entirely paid for with no borrowing. Page 13 talks about the future. The latest education bill received Royal Assent in November so that

on 1 April 2010 the LSC is replaced by the Young People's Learning Agency with 16-18 implemented through the local authority, and the Skills Funding Agency will be responsible for post-19. The conservatives, if elected, have made clear their plans to replace these two agencies with a further education funding council, a non planning body, which would entail the repeal of the education act. The Principal was working hard to ensure the cheque is in the post in April and the local authority has responsibility 16-18, i.e. 83%/84% of the funding. The Principal chairs the Havant Consortium 14-19. The College is developing the Havant Academy and he pleased to be able to talk with the Chairman who fully supports the Academy. The Principal distributed a copy of the advert for the post of principal of the Havant Academy noting a closing date of 4 January with interviews to take place on 21/22 January. The Chairman has agreed to be a trustee and the Principal will be chair of governors. Much will depend on the leadership of the academy and Staunton Park was the worst performing school in Hampshire with GCSE results of 18%, 14% and 10% for the years 2007-2009. South Downs College will be the lead sponsor with Hampshire County Council. The Academy, through Building Schools for the Future, will receive a large sum of money to refurbish the school. The Principal wishes more people in the community to get a better chance in life. Before signing the funding agreement the Principal was consulting with legal advisors to ensure there is no liability of this governing body or the College.

Government priorities included reducing the number of NEETs (not in education, employment and training) and a strong focus on literacy and numeracy. The Principal considered that post-19 general education will be squeezed very considerably with significantly less funding for post-19 adult learner responsive if not this year, then the year after. 16-19 will be protected but 1% efficiency gains will be required. It will be challenging with some difficult prioritisation. The College will remain robustly solvent and the largest majority of students will not be affected.

The Chairman wished to record his thanks to staff for their significant achievements which he considered was due to a combination of leadership, staff, and students. On the proposal of the Chairman, the Principal's report was RECEIVED.

808. Date of Next Meeting

The date of the next meeting was CONFIRMED for 5.45 pm on Thursday 25 February 2010.

[The meeting was declared closed at 7.40 pm]