

**Minutes of the Meeting of the Corporation
held on Tuesday, 5 December 2017**Present:

Kieran Stigant (Chairman)
Margaret Eva OBE (Vice-Chair)
Simon Baldey
Marilyn Billingham
Jane Dodsworth
Nick Fox
Shelagh Legrave OBE
Patrick McHale
Benjamin Phillips (Student Governor)
Ryan Sallows
James Sarmecanic
Nick Sutherland
Caroline Wood
Paul Wright

In Attendance:

Sally Challis-Manning, Deputy Principal, Quality
Steve Coulthard, Chief Financial Officer
Andy Green, Executive Principal
Vicki Illingworth, Principal, Crawley College
Julie Kapsalis, Managing Director Commercial
Julie Sleeman, Chief Operating Officer
Catherine Vinall, Clerk to the Corporation

APOLOGIES FOR ABSENCE

1. Apologies for absence were received from David Hobson, Andrew Davies and Chris Maidment.

DECLARATION OF INTERESTS

2. The Chairman drew the attention of Governors and those in attendance at the meeting to the requirement to declare any interests they might have in any of the items on the agenda, as detailed on the agenda sheet.

MINUTES

3. The Minutes of the Meeting of the Governing Body on Wednesday, 12 July 2017 were taken as a correct record and signed by the Chairman.

MATTERS ARISING

4. The Governing Body received and noted a schedule outlining matters arising from the Minutes of the Governing Body Meeting held on Wednesday, 12 July 2017.

(Copy attached at APPENDIX 1)

PRINCIPAL AND CHIEF EXECUTIVE'S REPORT - AUTUMN TERM 2017/18

5. Shelagh Legrave gave a presentation to update the Corporation on progress against the objectives in the Strategic Plan.

(Copy attached at APPENDIX 2)

6. The first objective related to outstanding teaching, learning and assessment. The majority of the KPIs would be covered by the performance report to be presented by Andy Green later in the meeting. With regard to student satisfaction, Shelagh reported that 95 per cent of students responding to the end of year survey had stated that their teaching was good. There had been a slight decline in the response to the statement my lessons were varied and interesting from 92 per cent in 2016 to 91 per cent. For HE provision the overall positive agreement rating in the National Student Survey had risen to 86.75 per cent, at Crawley College it was 80 per cent. During the autumn term an induction survey had taken place at Chichester and Crawley with 2,339 and 1,066 respondents respectively. Shelagh was pleased to report good results for both surveys, in particular, at Crawley 95 per cent of respondents had stated that they had chosen the right College, at Chichester this had been 99 per cent.
7. The second objective related to a relevant curriculum to equip students with appropriate work and life skills. The progression performance indicators for 2016/17 would be reported later in the academic year. Shelagh was pleased to report that in 2015/16 the target for the number of students gaining a university place had been achieved for the first time. The third objective related to 100 per cent coverage of Level 4 provision in identified LEP priority areas. Shelagh stated that between Chichester and Crawley this objective had been met in Professional Services, STEM

and Health, Care and Education. For 2018/19 new provision for food and drink and travel and tourism was being planned. In response to a question from Patrick McHale, Shelagh stated that the information on the number of students gaining a university place was not available by institution. In response to a further question about demand for courses, Shelagh confirmed that there was demand for hospitality skills and she believed there were opportunities in the Crawley area.

8. Objective number three was to provide an education fit for employers, the only performance indicator measurable at this point in the year related to employer satisfaction and this had not been achieved. For Chichester College 81.9 per cent of employers had stated that the College understood their training needs. This was against a target of 85 per cent. Looking to apprenticeship numbers in the other measures section, Shelagh reported that apprenticeship new starts were down. In part this could be due to the new apprenticeship reforms.
9. The fourth strategic objective related to the College's commercial businesses. The first indicator for International Operations had not been achieved in terms for EFL growth or the budget. As would be discussed later in the meeting, Anglia had overachieved on their income and budget and had performed very well during the year. First Steps had set a challenging budget for the year and had not achieved it. The Brinsbury nursery had done well with a 23 per cent increase in occupancy but Chichester had seen a decrease in occupancy due to greater local competition.
10. Objective five linked to the development of the Brinsbury campus. Shelagh was pleased to report that there had been a 107 per cent increase in student numbers at Brinsbury for 2016/17, growth areas included both Farriery and Furniture. Commercial activity at Brinsbury had done well with an increase in the surplus for that area. Objective six related to staff satisfaction and performance was measured against the staff survey. Due to the timing of the survey this had been reported at the previous meeting. Finally, objective number seven related to financial viability. Shelagh reported that the annual budget had not been achieved. In response to a question from the Corporation, Shelagh confirmed that the budget would not have been achieved in unbudgeted dilapidations were taken out of the year-end accounts. The target relating to Adult Skills had also not been met but the target relating to cash balances had been achieved.
11. Moving to provide an update on the merger with Central Sussex College, Shelagh reported that considerable work was taking place to re-establish links within the local community in Crawley, this included meetings with employers, local schools and community groups. Internally, work was also taking place to introduce quality improvement strategy and this included staff development. Chichester College had submitted an application to

change the name of the Corporation to Chichester College Group and hoped to receive approval of the name change before the end of December. At the Brinsbury campus, Shelagh was pleased to report that the College had gained outline planning permission for the Adversane Field and the Harwoods Group had obtained full planning permission for the site they were in the process of buying at Brinsbury.

12. Finally, Shelagh returned to the College's mission to change lives through learning and shared some of the College's good news stories. Shelagh was proud to report that Theatre Inc. had been involved in running a workshop at the recent AoC Conference. A group of student had attended and run an excellent production at the Edinburgh Fringe Festival in the summer. Students from Crawley College had seen success in the UK Skills Weld competition and Chichester College would have students competing in the next World Skills Team for Cabinet Making. Chichester College had hosted a group of visitors from a private college in China who were interested in working with the College on a Chinese cuisine project and top-up courses for Chinese students in the UK.

CHICHESTER COLLEGE GROUP PERFORMANCE REPORT 2016/17

13. The Corporation received a presentation to provide an overview of performance at Chichester College and Crawley College in 2016/17, including achievement rates, A Level and AS results, maths and English results and Apprenticeship success rates.

(Copy attached at APPENDIX 3)

14. Andy Green stated that the report would provide an overview of performance for 2016/17 for Chichester and Central Sussex College. The results had also been brought together to provide an overall achievement rate for Chichester College Group. The achievement rates for Chichester and Brinsbury by level were as follows:

- At Level 1 achievement for learners aged 16 - 18 was up to 92.06 per cent compared to 87.4 per cent in 2015/16. Achievement for 19+ learners was up significantly from 78.9 per cent in 2015/16 to 91.64 per cent.
- At Level 2 achievement for learners aged 16 - 18 was up from 80.7 per cent in 2015/16 to 83.2 per cent. Achievement for 19+ was up slightly from 84.1 per cent in 2015/16 to 85.25 per cent.
- Level 3 achievement for learners aged 16 - 18 was down slightly from 88 per cent to 87.66 per cent. For 19+ achievement at was 87.04 per cent compared to 87.7 per cent in 2015/16.

15. For Chichester and Brinsbury this produced an overall achievement rate of 86.87 per cent, this was in comparison to a national achievement rate of approximately 83 per cent.
16. For Central Sussex the achievement rates by level were:
 - Level 1 16 - 18 was 64.6 per cent compared to 70.5 per cent in 2015/16. For 19+ learners the achievement rate was 69.3 per cent compared to 80.3 per cent in 2015/16.
 - At Level 2 achievement for 16 - 18 learners was 62.7 per cent compared to 70.2 per cent in 2015/16. For 19+ learners at Level 2 achievement was 85.9 per cent compared to 82.7 per cent.
 - At Level 3 16 - 18 achievement was up to 90.1 per cent compared to 87.7 per cent in 2015/16. For 19+ learners at Level 3 the achievement rate was 70 per cent, compared to 82.6 per cent in 2015/16.
17. Andy confirmed that the results for Central Sussex College included the A Level results from students at Haywards Heath where there had been good achievement. Overall, this had produced an achievement rate for Central Sussex of 75.8 per cent. In response to a question from the Corporation, Andy stated that the issue at Central Sussex had been maths and English functional skills achievement, which he would report in more detail.
18. Turning to Apprenticeships, at Chichester and Brinsbury the overall success rate was 74.4 per cent, this had dropped from 76.2 per cent in 2015/16. For timely success there had also been a dip from 68.1 per cent to 66.6 per cent. Although these results were above national benchmark there was work to do as this was following a downward trend. At Central Sussex overall success was above national benchmark at 73.4 per cent compared to 72 per cent in 2015/16. Timely success was significantly below benchmark at 56.4 per cent compared to 57.7 per cent in 2015/16.
19. Looking at the results by subject sector area, Andy stated that at Chichester and Brinsbury five areas had fallen below the national average and at Central Sussex six areas were below national average. This comparison clearly showed the issue with maths and English at Central Sussex, the result could be seen in the preparation for life and work subject sector area. Andy also provided an overview of the equality achievement rates. At Chichester and Brinsbury two areas had a gap that was greater than two per cent, these were black and minority ethnic (BME) learners where the achievement rate for BME learners was 90.9 per cent compared to 88.2 per cent for non-BME learners. For learners from disadvantaged postcodes the achievement rate was 84.2 per cent compared to 87.3 per cent for learners from non-disadvantaged postcodes. For Central Sussex, this was the first time such a comparison had been made, the results were as follows:

- 16 - 18 learners had an achievement rate of 72.07 per cent, compared to 81.4 per cent for 19+ learners.
 - Female learners had an achievement rate of 72.67 per cent compared to 79.04 per cent.
 - Learners receiving additional support had an achievement rate of 68.74 per cent compared to 78.64 per cent for learners who did not receive additional support.
 - BME learners had an achievement rate of 72.9 per cent compared to 76.56 per cent for non-BME learners.
 - Learners from disadvantaged postcodes had an achievement rate of 72.69 per cent compared to 75.69 per cent for learners from non-disadvantaged areas.
20. With regard to maths and English functional skills the overall rate at Chichester and Brinsbury had increased from 72.8 per cent to 78 per cent. At Central Sussex success for functional skills was 34.4 per cent, this was down from 49.8 per cent and was impacting the overall achievement rate.
21. Finally, Andy stated that the overall achievement rate for Chichester and Brinsbury and Central Sussex in 2016/17 was 83.64 per cent.
22. Vicki Illingworth provided an update on the work taking place across the College at Crawley which was focussing on culture and tone and the value of working together. Programme Area Managers had started learning walks and there was an open door policy in classrooms. Management training had been started and Crawley would be using the Chichester curriculum and budget planning process to plan for 2018/19. In addition Licence to Observe training had started to roll out. In teaching, learning and assessment, Sally Challis-Manning stated that the focus with staff was on what good teaching and learning looked like, what managers should be looking for and what staff should be aspiring to deliver. To date there had been a good response from staff and improvements were being seen at classroom level. Marilyn Billingham thanked Andy, Vicki and Sally for their presentation and stated that a more in-depth discussion had taken place at the Crawley Quality & Stakeholder Board on the areas for development at Crawley College.

CHICHESTER COLLEGE GROUP STRATEGIC PLAN 2017 - 2020

23. The Corporation received for consideration the draft Chichester College Group Strategic Plan for 2017 - 2020.

(Copy attached at APPENDIX 4)

24. Shelagh Legrave stated that the review of the Plan had taken place in the light of the successful merger with Central Sussex College and had involved a small group of Governors. The principal change was that the plan did not include specific objectives for each campus. This meant that the previous objective which related to Brinsbury had been removed. Instead it was proposed to include an objective which focussed on a strong College Group which delivered significant economic benefit to the region it served. In response to a question from the Corporation, Shelagh confirmed that the focus on the development of the Group's estate was reflected in the measures for objective seven, which related to financial strength.
25. The Corporation discussed the timescales set out within the Plan and suggested that, in order to track progress against the key performance indicators, it would be useful to include milestones in the Plan. It was agreed that further work would take place to identify key milestones in against which to track progress against the Plan. It was

Resolved

That the Chichester College Group Strategic Plan 2017 - 2020, as set out at APPENDIX 4, be approved.

CHICHESTER COLLEGE MANAGEMENT ACCOUNTS, FINANCIAL STATEMENTS AND MEMBERS' REPORT FOR 2016/17

26. The Corporation received for consideration the Management Accounts, Financial Statements and Members' Report for 2016/17 for Chichester College and the subsidiary companies, together with the Audit Findings Report from RSM UK Audit LLP, the Corporation's External Auditors. There was also a Movement Summary and a report summarising the actions required with regard to the Financial Statements and Members' Report.

(Copies attached at APPENDICES 5, 6, 7, 8, 9, 10 and 11)

27. Steve Coulthard reminded the Corporation that for the year 2016/17 Chichester College had set a breakeven budget for a surplus of £25,000. This had been revised significantly at the mid-year point where it was forecast that the College would achieve a deficit of £638,000. The challenges during the year had included Adult Skills, Apprenticeships and International Operations, in particular International student numbers. The year had ended in a better than forecast position with a deficit of £218,000. The total income for the year had been £46.5m against a budget of almost £47.5m. Pay costs had been well managed during the year and had ended the year with a positive variance against budget. Non-pay costs exceeded the forecast position, this was due to additional

subcontracting costs and costs relating to the merger with Central Sussex College.

28. Turning to the statutory accounts, Steve reported that the year-end position was a deficit of £1.711m. This was due to a large book entry in relation to the FRS102 pension adjustment and the requirement that those additional costs were brought in to the accounts. The balance sheet showed that the College's net current assets had improved slightly and the cash position was strong. With regards to the Audit Findings Report from RSM UK Audit, it had been a relatively clean audit. Additional provision of £295,000 for dilapidations at Stockbridge Halls had been made and was reflected in the Letter of Representation. The College had also been required to increase the provision in relation to a clawback from the Education & Skills Funding Agency. There had been one internal control point which related to the regular review of fixed assets that were no longer in use and an issue regarding signing in tenders had been noted. Steve confirmed that this would be dealt with later in the meeting. RSM UK Audit LLP had confirmed that the consolidated accounts presented a true and fair view of the College's position at the year end. No significant disclosure matters had been identified during the audit. In addition, no impropriety issues had been identified and no difficulties had been encountered during the audit. It was

Resolved

That the Management Accounts for 2016/17, as set out at APPENDIX 5, be adopted.

Resolved

That the Audit Findings Report presented by the Corporation's external auditors, RSM UK Audit LLP, for 2016/17, as set out at APPENDIX 9, be adopted.

29. The Corporation was reminded that under the terms of FRS8 (Related Party Disclosures) any Governor who believed that he or she had any relevant interest in the Corporation's operations should declare it. No declarations of interest were made in response to this request. Shelagh referred to the statement included at paragraph 2.4 of the covering report which the external auditors required the Governing Body to agree in adopting the accounts. She asked any Governor who was aware of any actual or potential non-compliance with laws and regulations as described therein to declare it. In the absence of any such declaration and upon consideration it was

Resolved

- i) That the Corporation was not aware of any actual or potential non-compliance with laws and regulations that had a material effect on the ability of the College to conduct its business and therefore on the results and financial position to be disclosed in the financial statements for the year ended 31 July 2017;
 - ii) That no material changes had been made to the Management Accounts since the audit and the Chairman and Chief Executive were authorised to sign the Letter of Representation (Financial Statements) and Letter of Representation (Regularity); and
 - iii) That the Financial Statements and Members Report for the financial year 2016/17, as set out at APPENDIX 6, be adopted for submission to the Education & Skills Funding Agency, following signature by the Chairman and the Chief Executive on behalf of the Corporation.
30. With regard to the College's subsidiary companies, Steve reported that it had been an excellent year for Anglia Examinations, who had exceeded income and surplus for the year and achieved an operating profit of £301,633. It had been a more challenging year for Chichester College Services, First Steps had produced a surplus of £292,707 at the year-end, which was down in comparison to the previous year. On the motion of Kieran Stigant, seconded by Shelagh Legrave it was

Resolved

That Mr Nick Fox be nominated to attend the Annual General Meetings of Anglia Examination Syndicate Limited and Chichester College Services Limited as the representative of the Corporation as the sole shareholder.

31. It was further

Resolved

- i) That the Corporation endorses the Directors Reports and Financial Statements of the two subsidiary companies;
- ii) That the Corporation continue to provide financial support as necessary to its subsidiary companies; and
- iii) That the Boards of Anglia Examination Syndicate Limited and Chichester College Services Limited be requested to continue to

pay any profits they make to the Corporation under the Gift Aid scheme.

CENTRAL SUSSEX COLLEGE MANAGEMENT ACCOUNTS, ANNUAL REPORT AND FINANCIAL STATEMENTS FOR 2016/17

32. The Corporation received for consideration the Management Accounts, Annual Report and Financial Statements for 2016/17 for Central Sussex College, together with the Audit Findings Report from RSM UK Audit LLP. There was also a Movement Summary setting out the movement between the position in the Management Accounts and Financial Statements.

(Copies attached at APPENDICES 12, 13 and 14)

33. In the light of the dissolution of Central Sussex College it had been agreed with the Transaction Unit that, in order to close down the accounts, Chichester College Corporation should consider the year-end financial reports for Central Sussex. If the Annual Report and Financial Statements for Central Sussex were approved they would be signed Chairman and Chief Executive of Chichester College before submission to the Education & Skills Funding Agency.
34. Steve Coulthard stated that Central Sussex set a deficit budget of the year of £2.44m, the College had forecast to achieve the budget at mid-year point and by the year-end had done slightly better than forecast. In the main this had been due to good control on non-pay costs which had come in under budget and forecast. Turning to the Annual Report and Financial Statements, Central Sussex College had finished with a deficit of £3.2m which included a loss on the Haywards Heath campus. There had also been an adjustment of almost £500,000 in relation to FRS102 pension costs. The accounts had dealt with a number of entries which related to the closure of the entity. RSM UK Audit had also been the external auditors for Central Sussex College. The audit had been relatively clean audit and had included dilapidations provision for Horsham Training Centre and additional provision for a clawback from the Education & Skills Funding Agency. There had been a control recommendation in relation to subcontracted provision which had been noted. Other minor control points would be taken in to the merged entity. It was

Resolved

- i) That the Management Accounts for Central Sussex College 2016/17, as set out at APPENDIX 12, be adopted.
- ii) That the Audit Findings Report presented by RSM UK Audit LLP, for 2016/17, as set out at APPENDIX 14, be adopted.

- iii) That no material changes had been made to the Management Accounts since the audit and the Chairman and Chief Executive were authorised to sign the Letter of Representation (Financial Statements) and Letter of Representation (Regularity); and
- iv) That the Central Sussex College Annual Report and Financial Statements for the financial year 2016/17, as set out at APPENDIX 13, be adopted for submission to the Education & Skills Funding Agency, following signature by the Chairman and the Chief Executive on behalf of the Corporation.

AUDIT COMMITTEE

i) Annual Report of Chichester College Audit Committee 2016/17

35. The Corporation received for consideration the Annual Report of Chichester College's Audit Committee for 2016/17.

(Copy attached at APPENDIX 15)

36. The report provided an overview of the work undertaken by the Committee in 2016/17 and confirmed the audit opinions from the College's internal and external auditors. In considering the report the Audit Committee had confirmed that it was satisfied that the Corporation had adequate and effective internal and external audit arrangements and that it was operating effectively and in line with the Committee's terms of reference. It was

Resolved

That the Annual Report of the Audit Committee for 2016/17, as set out at APPENDIX 15, be adopted and submitted to the Education & Skills Funding Agency.

ii) Annual Report of Central Sussex College Audit Committee

37. The Corporation received for consideration the Annual Report of Central Sussex College Audit Committee.

(Copy attached at APPENDIX 16)

38. Catherine Vinall stated that on the advice of the external auditors, RSM Audit, the Corporation had been asked to consider the annual report produced by Central Sussex College's Audit Committee. Catherine confirmed that the report covered the period 2014/15 to 2016/17. The

report had been considered in detail at the last Audit Committee meeting at Central Sussex College and had been recommended for approval. It was

Resolved

That the annual report of Central Sussex College's Audit Committee, as set out at APPENDIX 16, be approved and submitted to the Education & Skills Funding Agency.

iii) Risk Management and Risk Register

39. The Corporation received for consideration the updated Risk Registers.

(Copy attached at APPENDIX 17)

40. Steve Coulthard stated that work to bring together the risk registers from Chichester, Central Sussex to a single register was in progress. Any outstanding risks from the merger risk register would also transfer to the single risk register. For the autumn term the separate registers had been updated by the individual risk owners. In response to a comment from Patrick McHale, Steve stated that the single risk register would be presented to the next Corporation meeting. The internal audit team would be reviewing risk management during the summer term. The Corporation noted the progress towards the integration of risk management systems and it was

Resolved

That the updated Merger Risk Register and Risk Registers for Chichester College and Crawley College, as set out at APPENDIX 17, be endorsed.

GOVERNANCE & SEARCH COMMITTEE

Corporation Standing Orders

41. The Corporation received for consideration the updated Corporation Standing Orders.

(Copy attached at APPENDIX 18)

42. Catherine Vinall stated that the Corporation Standing Orders were due for review every three years. In the main the proposed changes accounted for the updated governance structure and a revised procedure for complaints against the Corporation. It was

Resolved

That the Corporation Standing Orders, as set out at **APPENDIX 18**, be approved.

Co-opted Member Role Description

43. The Corporation received for consideration the Co-opted Member Role Description.

(Copy attached at **APPENDIX 19**)

44. Catherine Vinall stated that the role description for External Members had been updated to reflect the new governance structure in place post-merger and to clarify the role. In line with practice within the sector it was proposed to re-name the role Co-opted Member. It was

Resolved

That the Co-opted Member Role Description, as set out at **APPENDIX 19**, be approved.

Quality & Stakeholder Board Terms of Reference

45. The Governing Body received for consideration the draft terms of reference for the Chichester & Brinsbury and Crawley Quality & Stakeholder Boards.

(Copy attached at **APPENDIX 20**)

46. Catherine Vinall stated the aim of the Quality & Stakeholder Boards was to focus on the quality of provision at each of the campuses as well as stakeholder engagement. Catherine confirmed that following consultation with the Boards, it had been agreed to include a regular report on stakeholders and the College's community scorecards. Marilyn Billingham stated that there was work to do on local representation on the Board and asked Governors to let the Clerk know of any potential members. It was

Resolved

That the Quality & Stakeholder Board Terms of Reference, be approved, subject to the inclusion of oversight of stakeholder engagement.

WRITTEN RESOLUTION - CHANGE OF CORPORATION NAME

47. The Corporation received and noted the written resolution that had been passed in relation to the change of the Corporation name.

(Copy attached at APPENDIX 21)

48. Catherine Vinall stated that, in line with the Instrument of Government, the Corporation had considered a written resolution to change the name of the Corporation from Chichester College to Chichester College Group. The resolution had been passed on Tuesday, 31 October 2017. The application to change the name had been submitted to the Department for Education at the beginning of November. It was hoped that change would take effect from 1 January 2018. It was

Resolved

That the written resolution to change the name of the Corporation of Chichester College to Chichester College Group from 1 January 2018, as approved on Tuesday, 31 October 2017, be ratified.

EDUCATION & SKILLS FUNDING AGENCY ASSESSMENT - CHICHESTER COLLEGE FINANCIAL PLAN 2017 - 19

49. The Corporation received and noted confirmation from the Education & Skills Funding Agency of the College's assessment of financial health for 2017 to 2019.

(Copy attached at APPENDIX 22)

50. Shelagh Legrave stated that following the submission of the Group's three year financial plan for 2017 - 2019, the Education & Skills Funding Agency (ESFA) had concurred with the assessment that the Group's financial health was satisfactory. The reason for the satisfactory rating was that the financial plan included a planned deficit for the first two years post-merger. In response to a question from Patrick McHale, Shelagh confirmed that the scorecard produced by the ESFA provided some useful benchmarking information.

FINANCE & GENERAL PURPOSES COMMITTEE

Management Accounts to 31 October 2017

51. The Governing Body received for information the Management Accounts for the period to 31 October 2017.

(Copy attached at APPENDIX 23)

52. Steve Coulthard stated reminded the Corporation that the budget for 2017/18 had been submitted as part of a three year plan to the Transaction Unit. For the year 2017/18 a deficit of £2.9m had been planned. At the end of the first quarter the financial position was slightly behind with an operating deficit of £1.2m after restructuring and interest costs. While there was still some movement in the accounts and areas for investigation, the challenging area continued to be adult skills where there was a shortfall on fees. Elsewhere, pay costs were being well managed and there had been a good start to the year for International and Accommodation. In response to a comment from Patrick McHale, Steve stated that International had faced some challenges over recent years. The business had been impacted by changes to student visas and nervousness in the International market about terrorism. There had also been opportunities, for example Chichester had been able to pick up learners from other colleges who were no longer able to recruit International students. Julie Kapsalis stated that the key for International was to be able to respond with flexibility to the market and diversify the offer.
53. Steve reported that at the end of October the cash position was strong which meant that the Group could meet the first loan covenant which related to cash balances. Following the merger the Operations Summary had been split to show details for the different campuses. With regard to capital investment, Steve confirmed that £2.6m had been budgeted but was slightly overcommitted. This was allocated through the Group's investment panel process. In relation to the merger, Steve confirmed that the Group had received the first payment of the transaction loan on 1 August 2017, the first funding claim had also been submitted to the Transaction Unit. A copy of the funding claim had been provided to the Finance & General Purposes Committee. With regards to systems, Steve was pleased to report that one finance system was operating across the Group and work was taking place to introduce one HR and Payroll system. Steve confirmed that a restructure had also taken place across the transactional Finance Team. It was

Resolved

That the update on the position reported in the Management Accounts for the period to 31 October 2017, be noted.

AUDIT COMMITTEE

i) Mazars LLP Chichester College Internal Audit Annual Report 2016/17

54. The Corporation received for information the Chichester College Internal Audit Annual Report 2016/17 from Mazars LLP.

(Copy attached at APPENDIX 24)

55. Steve Coulthard stated that the annual report provided an overview of the internal audit work undertaken in 2016/17, the report included a range of benchmarking data comparing the College's performance against the Mazars client base. The annual report had concluded that Chichester College's governance, risk assessment and internal control arrangements were adequate and effective to manage the achievement of the College's objectives. None of the weaknesses or exceptions identified as part of the internal audit work were considered fundamental. Patrick McHale queried the number of recommendations which had been raised as part of the review of the sales and marketing of apprenticeships. Julie Kapsalis acknowledged that apprenticeships was a considerable area in terms of risk given the growth that had been planned. For this reason and due to the apprenticeship reforms the internal auditors had been asked to review sales and marketing. A number of the recommendations had been held over due to the merger and some due to the ongoing apprenticeship reforms. Julie stated that she was comfortable that progress was being made to address the recommendations. Post-merger the plan was to focus on a Group approach to the sales and marketing of apprenticeships. Julie felt that the Chichester had seen some success in winning new business with public sector levy payers but some private sectors levy payers seemed to be holding back. In response to a comment from Caroline Wood in relation to the reforms, Julie confirmed that work had taken place to re-focus the Sales Team and develop the skills set within the team.

i) Mazars LLP Central Sussex College Internal Audit Annual Report 2016/17

56. The Corporation received for information the Central Sussex College Internal Audit Annual Report 2016/17 from Mazars LLP.

(Copy attached at APPENDIX 25)

57. Steve Coulthard reminded the Corporation that Mazars LLP had also been the internal auditors for Central Sussex College. The annual report provided an overview of their work at Central Sussex during 2016/17. The annual report had concluded that Central Sussex College's governance, risk assessment and internal control arrangements were adequate and

effective to manage the achievement of the College's objectives. None of the weaknesses or exceptions identified as part of the internal audit work were considered fundamental. In response to question from the Corporation, Steve confirmed that any outstanding actions arising from the internal audit work at Central Sussex would be picked up under the Group's internal audit arrangements.

ii) Mazars LLP Internal Audit Reports - Autumn Term 2017/18

58. The Corporation received for information the Internal Audit reports for Learner Numbers at Chichester College which had been undertaken during 2016/17 and Subcontracting Controls, which had been undertaken in the autumn term 2017.

(Copies attached at APPENDIX 26)

59. Steve Coulthard stated both areas, learners numbers and subcontracting controls were considered high risk areas and were reviewed on an annual basis. The assurance approach for the audit of learner numbers followed that stipulated by the Education & Skills Funding Agency (ESFA) and was split into 16 - 19 funding and 19+ funding. The audit had concluded that both areas were partially compliant and were rated as amber, three recommendations had been raised, two significant and one housekeeping. The Audit & Risk Committee were satisfied that appropriate actions were in place to address the recommendations.
60. The review of subcontracting controls also followed an approach provided by the ESFA. The audit had looked at subcontracting processes for the Group but in reality the focus had been at Chichester College due to the lower level of subcontracting taking place at Crawley College. Three housekeeping recommendations had been identified and the Audit & Risk Committee were content that appropriate actions were in place.

CORPORATION SUCCESSION PLANNING

61. The Corporation received for information a report to provide an overview of succession planning.

(Copy attached at APPENDIX 27)

62. Catherine Vinall reported that, in the light of Ramesh Shingadia's resignation there was an immediate vacancy for one member of the Corporation. A further vacancy would arise at the end of 2018 and a number of Governors would reach the end of their first term of office. The Governance & Search Committee had agreed that the Clerk should contact members who were reaching the end of their first term to

determine whether they wished to stand again. The Committee had also recommended the appointment of Staff Governor, Andrew Davies for a second term of office from 1 August 2017 and the re-appointment of Nick Fox for a second term of office from 1 January 2018. It was

Resolved

- i) That Andrew Davies, Staff Governor, be re-appointed for a second term of office from 1 August 2017, subject to annual review.
- ii) That Nick Fox be appointed for a second term of office for a period of four years, from 1 January 2018, subject to annual review.
- iii) That the Clerk should initiate the recruitment process to fill the vacancy created by Ramesh Shingadia's resignation.

GOVERNOR DEVELOPMENT

63. The Corporation received for information a report on Governor Development.

(Copies attached at APPENDIX 28)

64. Catherine Vinall stated that a review had taken place of the Governor development that had taken place at Chichester and Central Sussex College. The Governance & Search Committee had approved a proposal to introduce a new suite of development modules which would include mandatory modules such as Safeguarding and Prevent and other modules which Governors would choose to complete such as FE funding and data reporting and the student journey.

GOVERNOR ENGAGEMENT WITH STUDENTS AND STAFF

65. The Corporation received for information a report on Governor engagement with staff and students.

(Copies attached at APPENDIX 29)

66. Catherine Vinall stated that Chichester College had offered a number of ways to involve Governors in activities which took place across the College. This had included a Governor Links scheme which had operated with varied success. The Governance & Search Committee had approved a proposal to introduce a new immersion scheme whereby Governors would come in to College to shadow a student or member of staff.

Governors interested in taking part in the scheme should contact the Clerk.

SUMMARY OF COMMITTEE BUSINESS

67. The Governing Body received and noted a summary of the business which had been undertaken by the Standing Committees during the autumn term 2016/17.

(Copy attached at APPENDIX 30)

68. Kieran Stigant noted that the focus for the Standing Committees during the autumn term had been performance during the prior year, both financially and in terms of quality. The first meetings had taken place of the Quality & Stakeholder Boards for Chichester and Crawley College. Catherine Vinall reminded the Corporation that members were welcome to observe any of the Committee meetings, if they wished to attend they should contact the Clerk to make arrangements.

DATES OF FUTURE MEETINGS

69. It was noted that the next meeting of the Governing Body would take place on Wednesday, 28 March 2018. The date for the next Governor Strategy Event was to be confirmed.

ANY OTHER BUSINESS

Chichester College Group Financial Procedures - Updated Delegated Authorities

70. The Corporation received for consideration a proposal to update the Groups Financial Procedures.

(Copy attached at APPENDIX 31)

71. Steve Coulthard stated that, in the light of the merger with Central Sussex College, the Financial Procedures had been reviewed. The proposed changes included that authority be delegated to any member of the Executive Team to sign in tenders, that delegated authority for budget holders be increased to £5,000 in line with advice from the FE sector purchasing consortium, CPC. Again in line with advice from CPC, a further change to the approach for tenders between £50,000 and EU thresholds was suggested. This would mean that where the contract did not have cross border interest to suppliers outside of the UK, the EU tender

process would not need to take place. Other minor changes were to new roles that had been introduced since the merger and to incorporate the new structure at Crawley College. It was

Resolved

That amendments to the Chichester College Group Financial Procedures, as set out at APPENDIX 31, be approved.

CONFIDENTIAL BUSINESS

72. It was

Resolved

That, in view of the confidential nature of the business to be dealt with, the Minutes for the remainder of the meeting be recorded on a confidential basis and remain so unless and until they become public in the ordinary course of the Corporation's business.