

**MINUTES OF THE MEETING OF
THE CORPORATION
HELD ON WEDNESDAY, 6 APRIL 2022**

Present:

Dr James Sarmecanic (Chair)
Jane Dodsworth (Vice-Chair)
Jeff Alexander
Dr Roy Bowden
Steve Cooper
Keira Embleton (Student Governor)
Nick Fox
Andrew Green
David Jones
Helen Kilpatrick CB
Richard Moore
Ryan Sallows
Donna Turner-Irwin (Staff Governor)
Ellen Walsh
Caroline Wood
Paul Wright

In Attendance:

Sally Challis-Manning MBE, Deputy Principal, Quality, Principal of Brinsbury College
Steve Coulthard, Chief Financial Officer
Helen Loftus, Interim Principal, Chichester College
Vicki Illingworth, Principal, Crawley College
Julie Kapsalis, Managing Director (Commercial)
Paul Riley, Principal, Worthing College and Haywards Heath College
Catherine Vinall, Clerk to the Corporation

APOLOGIES FOR ABSENCE

117. Apologies for absence were received from Chloe Harrison and Nick Sutherland. It was noted that Donna Harfield, Staff Governor, had recently resigned from her role as Group Head of Sales. Donna had also stepped back from her Governor role.

DECLARATION OF INTERESTS

118. The Chair 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. On the declaration of Julie Kapsalis, the Corporation noted Julie's role as Chair of the Coast to Capital Local Enterprise Partnership Board.

MINUTES

119. The Minutes of the Meeting of the Corporation meeting held on Wednesday, 8 December 2021 were taken as a correct record of the meeting.

CHIEF EXECUTIVE'S TERMLY PROGRESS REPORT - SPRING TERM 2020/21

119. The Corporation received a presentation to provide an update on national developments for the FE sector and for Chichester College Group, including the proposed merger with GB Met.

Copy attached at APPENDIX 1.

120. Andrew Green noted that progress against KPIs measurable at this point in the year would be provided under the performance update and the financial update. In terms of national developments, the Skills Bill continued to work through government. The Bill clearly placed employers central to the skills economy. This was likely to mean that employers would have greater impact on the design of post-16 qualifications and was also coming through Local Skills Improvement Plans (LSIPs). For Sussex, the LSIP identified the skills needed in the region for the future. At present, the plan was broad, it was hoped that this could be refined once funding linked to LSIPs was clearer. Andrew confirmed that the government had announced an eight per cent increase to the funding rate for 16 - 18 learners. Colleges would need to deliver an additional 40 hours per study programme to meet funding conditions for the uplift. The government were also consulting on SEND changes. Although the Green Paper focussed on schools and pre-16s, it was hoped that there could be opportunities for Chichester College Group to explore.
121. Moving on to issues impacting the Group, Andrew stated that there were pressures around staff pay. Increases in inflation were impacting staff, the Group Leadership Team were looking at ways to support staff. Union pay claims were coming forward, as expected these were ambitious, with a request for a ten per cent increase. Chichester College Group had recently had it's first Annual Strategic Conversation meeting with the ESFA and FE Commissioner's Office. This was a new approach from the ESFA and FE Commissioner to meet

with all colleges, rather than just those receiving support through intervention. The meeting had included an update on the Group's 2020/21 self-assessment, the challenges faced in terms of staff recruitment and retention and update on plans post-merger. Andrew thanked Chichester & Brinsbury Student President, Keira Embleton for her attendance at the meeting.

122. With regard to the proposed merger with GB Met, Andrew stated that a more detailed update would be given under the confidential agenda. Overall, the merger workstreams remained on track. Regular meetings were taking place with Trade Union representatives to discuss the Group's HR policies and procedures and work has started on TUPE measures. The TUPE consultation would start at the end of April.
123. Andrew provided update on capital investment across the Group. He was delighted to confirm that the FE Capital Transformation applications for a new STEM centre at Chichester College and refurbishment of Pelham Tower at GB Met had been approved in principle. In addition, for Crawley there would be a new building for the Institute of Technology (IoT) and investment through Crawley Towns Fund. Further detail on the large capital projects would be provided under the financial update. Work would be starting over the summer on a new heating and cooling system for A and B Blocks at Chichester and the Group had invested in electric car charging points across all campuses. This would enable the Group to replace the car fleet with full electrical vehicles. Andrew confirmed that staff surveys would be launched in the summer term. As previously mentioned, struggles to recruit staff continued across a range of teaching, teaching support and business support areas. In response to a question from the Corporation, Andrew confirmed that for roles such as Student Tutors, the Group was looking to develop an apprenticeship to support staff to develop into the role. In response to a further question, Helen Loftus stated that the Group no longer offered degree apprenticeships. It had been difficult to find a delivery partner and financial model that worked for the Group. It was hoped that the Group might be able to look at degree apprenticeships again when the IoT was established.
124. Finally, Andrew shared a number of good news stories which highlighted the success and achievement of students and staff. These included Horticulture student, Alfie Pule, who had been selected to play cricket for England Disability in the T20 team, a visit to Crawley College by a Japanese manga artist, success in the Sussex under 19 men's football for Haywards Heath College, a fourth Sussex title for Worthing's netball team and celebrations for the Group's Queen's Anniversary Prize for furniture making and upholstery.

CHICHESTER COLLEGE GROUP PERFORMANCE REPORT 2020/21

125. The Corporation received a presentation to provide an overview of the performance of teaching and learning at Chichester College Group during the spring term 2021/22

Copy attached at APPENDIX 2.

126. Sally Challis-Manning reported that the attendance rate across the Colleges was 87.20 per cent. This was lower than the year-end result for 2020/21 but higher than pre-pandemic attendance. Across the Group retention was looking healthy. For 16 - 18 students it was currently standing at 95.5 per cent and for 19+ students it was 96.1 per cent. For 16 - 18 students this was up in comparison to the full year for 2020/21 and for 19+ learners it was very slightly down.
127. Turning to the equality & diversity data for attendance, Sally stated that attendance for BME learners was slightly behind attendance for non-BME learners. There was a similar picture for learners from disadvantaged areas. For learners with high needs there was a positive variance which was indicative of the support learners received whilst at College. The retention equality & diversity data showed positive variances for learners with EHCPs and learners with high needs.
128. For apprenticeships, Sally stated that the predicted achievement rate for the Group was 64.7 per cent. This was a cautious prediction and it was hoped that the Group would end the year with higher apprenticeship achievement. In response to a question from the Corporation, Sally stated that Chichester Construction was an area of concern. A number of issues had impacted the areas including staffing issues and an increase in student numbers. Engineering at Crawley College had also been impacted by the recruitment and retention of staff. It was noted that on average colleges across the country were holding around 30 vacancies.

RISK MANAGEMENT REPORT

129. The Corporation received for consideration the Group's Risk Management and Assurance report and updated Risk Registers.

Copy attached at APPENDIX 3.

130. Helen Kilpatrick CB reported that the overall the risk environment for the Group had reduced from very high to high. This was due to the ending of Covid restrictions, an unexpected increase to the funding rate for 2022/23 and the completion of work at Crawley College which had been linked to major incidents in 2021. There had been an interesting discussion at the Audit & Risk Committee

about the Group's risk appetite. It had been agreed that further work on risk appetite and potentially a target should take place after the merger with GB Met. This could lead to an annual discussion at Corporation on the overall risk appetite. It was

Resolved

That the strategic risk levels, as set out in the Risk Registers at APPENDIX 3, be approved.

CORPORATION COMPOSITION AND DETERMINATION OF MEMBERSHIP

131. The Corporation received for consideration a proposal to amend Instruments 2 and 3 of the Corporation's Instrument & Articles of Government, Corporation Composition and Determination of Membership.

Copy attached at APPENDIX 4.

132. Catherine Vinall stated that she had been tasked by the Governance & Search Committee to explore the possibility of increasing the number of Corporation members. The rationale was that a temporary increase in the number of Corporation members could provide continuity during times of change. At the current time, there were a number of factors behind the proposal, including changes to the senior management team, the impending merger with GB Met and change in membership of the Corporation. Following advice from the AoC Governance Team and the Governance Team at Eversheds Sutherland, it was proposed to increase the number of Governors from 20 to 24. To enable this change, Instruments 2 and 3 of the Corporation's Instruments & Articles of Government had been modified. The revised Instruments permitted an extension of the number of members in exceptional circumstances only, for a 12 month period. It was proposed that a consultation on the changes to Instruments 2 and 3 should take place for a two week period. Any feedback from the consultation would be considered by the Governance & Search Committee. It was

Resolved

- i) **That a consultation on the proposal to amend Instruments 2 and 3, should take place.**
- ii) **That, following any feedback put forward as a result of the consultation, Instruments 2 and 3 be amended as set out in APPENDIX 4.**

QUALITY & STAKEHOLDER BOARD REVIEW

133. The Corporation received for consideration recommendations arising from the review of the Corporation's Quality & Stakeholder Boards.

Copy attached at APPENDIX 5.

134. Andrew Green reminded the Corporation that the Quality & Stakeholder Boards had been set up following the merger with Central Sussex College. The purpose of the Boards had been to monitor the quality of teaching and learning in the local college and engage with local stakeholders. Over time it had become clear that this presented some challenges, particularly in relation to the stakeholder piece. Some of the challenges and concerns were shared by the Chairs of the Quality & Stakeholder Boards, who had been involved in the subsequent review of the Boards.

135. The proposal was to replace the Quality & Stakeholder Boards with College Curriculum & Quality Committees. There would be a refreshed focus the oversight of the quality of teaching and learning and curriculum matters. The proposal to increase Governor membership of the Committees would enhance Corporation accountability for all matters relating to teaching and learning. This would be supported by a change in the reporting of College performance at Corporation meetings. If the proposal was approved stakeholder engagement would take place through Skills Advisory Panel. In response to a question from the Corporation, Julie Kapsalis stated that her team had undertaken a review of the Skills Advisory Panels to look at adding value through wider stakeholder involvement. It was noted that the membership of the Curriculum & Quality Committees included three Governors on each Committee, Andrew acknowledged that this was a considerable commitment which would require support from Corporation members. After further discussion it was

Resolved

That the proposals in the Quality & Stakeholder Board Review, as set out at APPENDIX 5, be approved.

CHICHESTER COLLEGE GROUP SUBSIDIARY COMPANIES - APPOINTMENT OF COMPANY DIRECTORS

136. The Corporation received for consideration a proposal to increase the number of directors for the Group's subsidiary companies.

Copy attached at APPENDIX 6.

137. Catherine Vinall stated the Governance & Search Committee had recommended the proposal to increase the number of Company Directors for the Group's subsidiary companies. The proposal was to appoint another member of the Corporation as a Director and the Group's Chief Financial Officer. The aim was to strengthen the Boards and provide greater oversight of company operations. It was

Resolved

To increase the number of Company Directors for First Steps Childcare Group Limited and Anglia Examination Syndicate Limited to include another member of the Corporation and the Chief Financial Officer.

CORPORATION CALENDAR OF MEETINGS 2023

138. The proposed dates for Corporation meetings in 2023 were approved as follows:

Wednesday, 29 March 2023;
Wednesday, 5 July 2023;
Wednesday, 6 December 2023.

MANAGEMENT ACCOUNTS TO 28 FEBRUARY 2022 AND MID-YEAR UPDATE 2021/22

139. The Corporation received the Management Accounts for the period to 28 February 2022 and the Mid-Year Update for 2021/22.

Copy attached at APPENDIX 7.

140. Steve Coulthard stated that financial performance at the end of February 2022 was stronger than expected with a positive variance of just over £900,000 on the operating position. The forecast EBITDA was expected to increase to £2.3m by the year end. For central services there would be costs to come through, particularly for End Point Assessments for apprenticeships and for premises costs. Both International and Accommodation had performed better than budget to date. First Steps was forecasting a small surplus by year-end but it had been a challenging year. The nurseries had continued to struggle with staff absences relating to Covid and the recruitment and retention of staff was a real issue. In terms of priorities to the end of the year, the Group needed to focus on utilising catch up funds which were impacted by restrictive funding conditions. In response to a question about catch up funding, Steve confirmed that another allocation had been issued for 2022/23. It was likely that unspent funds for 2021/22 would be clawed back. As in previous years, delivery of the adult education budget continued to be challenging. The Group had recently

appointed a new manager for that area who was starting to impact but it was likely that the benefits of her work would be clearer in the next academic year. Work also continued to rebuild income in areas impacted by the pandemic. In response to a question about International, Steve confirmed that International performance was monitored on a monthly basis by the Group Leadership Team. The Group continued to support accommodation through the arrangement with the University of Chichester who were using space in the halls of residence.

141. In terms of funding allocations for 2022/23, Steve stated that the Group would see a drop in funded 16 - 18 numbers for 2022/23, with a similar drop for GB Met. The cash comparison did not match the drop in numbers due to the uplift in the base rate for 16 - 18 learners which had previously been discussed. Colleges would be required to provide an additional 40 hours to 16 - 18 study programmes. For Apprenticeships, the allocation would be similar to the current year and was not expected to drop below £7m. The Corporation noted that significant work had taken place to streamline costs centres in the past. Steve agreed that this had helped with budget setting and monitoring. The biggest challenge for the last two years were the exceptional circumstances caused by the pandemic. It was hoped that there would be a further opportunity to review costs centres following the merger with GB Met.
142. Turning to capital funding, Steve provided an overview of the investment for Crawley College which included £10m for the development of the Institute of Technology (IoT). Crawley Towns Fund linked to the government's Towns Deal programme and would provide significant investment in projects across the town. For the College, the fund meant a further £4.5m of investment. To maximise that funding, a proposal had been submitted to bring the Towns Fund project for a new Construction hub into the IoT project. The hub would focus on decarbonisation and green construction. In addition, there would be £2.75m of funding for equipment to support the development of digital and IT and professional qualifications. The Corporation was delighted to hear of the investment in Crawley College which it was hoped would make a real difference to the people of the town. In response to a question, Steve stated that the IoT building would be located next to the Advanced Technology Centre at Crawley.
143. For Chichester College, the FE Capital Transformation Fund would support the development of a new STEM centre on campus. This would enable the relocation of students from Terminus Road and replace F Block which was in a poor condition. The planned opening date was autumn 2024. The Group had also submitted a T Levels capital application to redevelop the Music block at Chichester and improve the glasshouses and cattle sheds at Brinsbury. In addition, GB Met had been successful if their application for funding to support the refurbishment of Pelham tower in central Brighton. In response to a question, Steve confirmed the timescale for Pelham was similar to the Chichester STEM project. It was hoped there would be some flexibility as the application process had been drawn out. The Corporation noted that costs for all projects had been

estimated some time ago, since that time inflation had continued to increase. The project teams were aware there would be significant challenges on build costs and that compromises might be necessary. It was noted that a significant amount of work had taken place on different capital applications and projects in recent months. The Corporation thanked all involved for their hard work.

MAZARS LLP INTERNAL AUDIT REPORTS

144. The Corporation received for information the Internal Audit reports for employment status processes, risk management and Board pack quality assessment.

Copies attached at APPENDIX 8.

145. Helen Kilpatrick CB stated that three areas had been reviewed since the last meeting of the Corporation. The review of IR35 compliance had tested employment status checks, a small number of employees for Chichester College Group. The auditors had concluded that the Corporation could place reasonable assurance on the controls in place to manage this area. The review of risk management had concluded that substantial assurance could be placed on the controls in this area. One low and one medium recommendation had been identified.
146. The final report was quality assurance review and benchmarking exercise looking at board packs. A couple of recommendations had been raised which would be taken forward by the Clerk. The audit team had been asked to look again at comparisons of governance structures. In response to a question from the Corporation, Steve Coulthard agreed to check whether a review of cyber security had been scheduled.

ESFA FUNDING ASSURANCE REVIEW 2020/21

147. The Corporation received and noted a letter from the ESFA giving notice of the funding assurance review for the year 2020/21.

Copy attached at APPENDIX 9.

148. Steve Coulthard stated that the Group had been selected for a funding assurance review which would be looking at the year 2020/21. The audit work had started and all evidence had been submitted. A number of queries had been raised which teams continued to work through. The outcome of the review would be reported through the Audit & Risk Committee.

UPDATE ON THE APPOINTMENT OF THE NEXT CHAIR AND VICE-CHAIR

149. Dr James Sarmecanic reminded the Corporation that nominations for the role of Corporation Chair and Vice-Chair had been requested at the Corporation meeting in December. As a result, there had been one nomination for the role of Chair and two for the role of Vice-Chair. Meetings with the candidates were being planned to take place after the Easter break.

UPDATE ON THE APPOINTMENT OF THE CHIEF COMMERCIAL OFFICER

150. Andrew Green provided an update on the appointment of the Chief Commercial Officer. The process was being supported by recruitment agency, Gatenby Sanderson. In total there had been 19 applications, ten candidates had been longlisted and interviewed by Gatenby Sanderson. Of these individuals the Governance & Search Committee had shortlisted five candidates had been shortlisted for final interview. The interviews would be taking place on Wednesday, 27 April 2022.

SUMMARY OF COMMITTEE BUSINESS

151. The Corporation received and noted a summary of the business which had been undertaken by the Committees and Boards during the spring term 2021/22.

Copy attached at APPENDIX 10.

152. James Sarmecanic thanked Governors, staff, students and other stakeholders who had committed their time to take part in Corporation, Committee and Board meetings over the last term. The schedule of business had been particularly busy given the additional work associated with the potential merger with GB Met College and the appointment of new senior post-holders.

DATES OF FUTURE MEETINGS

153. The next regular business meeting of the Corporation would take place on Wednesday, 6 July 2022. As a result of additional work associated with the appointment of senior post-holders and the merger with GB Met it was likely that there would be extra meetings before this time.

CONFIDENTIAL BUSINESS

154. 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.