

**MINUTES OF THE MEETING OF  
THE CORPORATION HELD ON  
WEDNESDAY, 9 DECEMBER 2020**

Present:

Dr James Sarmecanic (Chairman)  
Jane Dodsworth (Vice-Chair)  
Dr Roy Bowden  
Steve Cooper  
Andy Davies (Staff Governor)  
Nick Fox  
David Hobson  
David Jones  
Helen Kilpatrick CB  
Shelagh Legrave OBE DL  
Richard Moore  
Ryan Sallows  
Nick Sutherland  
Caroline Wood  
Paul Wright

In Attendance:

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

**APOLOGIES FOR ABSENCE**

1. Apologies for absence were received from Sophie Sargent and Ria Voice.

**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. It was noted that

Julie Kapsalis as the Chair of the Coast to Capital LEP and would leave the meeting if any discussions conflicted with this role.

## **MINUTES**

3. The Minutes of the Meeting of the Governing Body on Wednesday, 8 July 2020 were taken as a correct record.

## **MATTERS ARISING**

### **Minute 142 - Bank Covenants**

4. Steve Coulthard confirmed that the Group's bank covenants had been agreed and adjusted with the banks prior to the year end. The adjusted covenants had been met.

## **CHIEF EXECUTIVE'S STRATEGIC UPDATE - AUTUMN TERM 2020/21**

5. Shelagh Legrave gave a presentation to update the Corporation on progress against the objectives in the Strategic Plan, plans for the new STEM building at Crawley College and news from the FE sector. The Corporation also received a document to provide an update on progress against the key performance indicators.

Copy attached at APPENDIX 1.

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 Sally Challis-Manning later in the meeting. With regard to value added results for A Levels, Shelagh stated that the score for ALPS (A Level Performance System) for Chichester and Worthing was two, based on a scale of 1 - 9. For 2019/20 this was based on centre assessed grades. For Chichester and Worthing this represented an improvement on the previous year and meant that performance was within or exceeded the top 25 per cent of the national benchmark. The data for the student satisfaction KPI had been drawn from induction surveys undertaken at all Colleges within the Group, including Haywards Heath. For Chichester & Brinsbury and Crawley there had been a drop in participation. Shelagh was pleased to report that for Chichester & Brinsbury, Worthing and Haywards Heath 98 per cent of respondents had stated that they had chosen the right College. For Crawley 97 per cent of respondents had stated that they had chosen the right College. At Chichester & Brinsbury and Worthing 94 per cent of respondents stated that they had chosen the right course. 98 per cent of respondents at Crawley felt they had chosen the right course and 91 per

cent of respondents from Haywards Heath stated that they had chosen the right course.

7. The second objective related to a relevant curriculum to equip students with appropriate work and life skills. The first key performance indicator relating to progression would be measured later in the year. The target relating to progression plans and was not yet measurable. The final KPI related to routes in to higher education was rated as amber as it was work in progress. For the third objective, Sally would report on apprenticeship achievement rates as part of the performance report. The target on employer satisfaction would not be measurable for 2020 as the Government would not be undertaking the FE Choices survey. The fourth objective linked the development and growth of commercial, all of the KPIs were rated red due to the impact of the pandemic and lockdown on commercial operations. Anglia, First Steps and International & Accommodation had all ended the year significantly behind budget.
8. The fifth objective related to staff satisfaction and was measured by the staff survey results. Shelagh was pleased to report a strong set of results from the staff surveys undertaken at Chichester, Brinsbury, Crawley and Worthing. The first two KPIs 'proud to be an employee' and 'I believe my contribution is valued by my line manager' had been rated as green for all Colleges. The KPIs relating to trying new things without fear of failure and autonomy to do a good job had been rated as green at Chichester, Brinsbury and Crawley. At Worthing both KPIs had been rated as amber as they were just under the 90 per cent target. Shelagh stated that there was work to do at Worthing College but the staff survey results had been a significant improvement on results from the previous year.
9. Objective six was to create a strong College Group, progress against all of the KPIs had been rated green, with the exception of the growth in student numbers which at three per cent had been rated amber. The final objective related to long term financial viability. The KPIs relating to the budget and financial covenants had not been achieved as a result of the pandemic. The target relating to Haywards Heath College had been achieved and it was hoped that the new STEM building at Crawley College would be complete at the end of January 2021.
10. Moving on from the Group's Strategic Plan, Shelagh provided an update on current issues for the sector and the Group. The FE White Paper was due to be published by the end of December. It was hoped that the Paper would bring greater flexibility with qualifications, a drive for colleges to serve functional economical areas and new intervention powers to address issues at failing colleges. The pandemic continued to impact day to day operation of the Colleges. All students were receiving at least 50 per cent face to face learning, depending on group sizes and the space available this was higher for some courses. The challenges included delivering learning face to face, the lack of work experience and enrichment activities. Finally, Shelagh returned to the College Group's mission to change lives through learning and shared some good

news stories. The Group had been shortlisted for an AoC Beacon Award for inclusive practice and had been highly commended for employer engagement. Chichester and Crawley had started to deliver the new T Level qualifications in Digital, Construction and Childcare and had exceeded the target for the number of students on T Level programmes. The Group had expanded provision at HMP Ford opening a new Construction Centre in October and had continued to build on close links formed with homeless charity Crawley Open House. As a result of the pandemic and social restrictions many events had taken place in a different way. The Governing Body celebrated a fantastic Stars celebration of student and staff achievement for Chichester and Brinsbury and looked forward to a similar event for Crawley College. On behalf of the Corporation, the Chairman acknowledged that it had been a difficult year financially and operationally and thanked students and staff for making the best of a difficult time.

## **CHICHESTER COLLEGE GROUP PERFORMANCE REPORT AND SELF-ASSESSMENT REPORT 2019/20**

11. The Corporation received a presentation to provide an overview of the performance of teaching and learning at Chichester College Group in 2019/20, including achievement rates, A Level, maths and English results and Apprenticeship success rates.

Copy attached at APPENDIX 2.

12. Sally Challis-Manning stated that she had provided detailed performance reports for each College at the individual Quality & Stakeholder Board meetings. For 2019/20 achievement had been based on different methods of assessment due to the impact of COVID and restrictions related to the pandemic. The presentation provided achievement for prior years to provide a comparison of performance. The achievement rates for Chichester and Brinsbury were as follows:

- Level 1 - for 16 - 18 learners achievement was 91.20 per cent, for 19+ learners it was 88.70 per cent.
- Level 2 - for 16 - 18 learners achievement was 92.30 per cent, for 19+ learners it was 89.10 per cent.
- Level 3 - achievement for 16 - 18 learners was 93.60 per cent. At 19+ achievement was 87 per cent.
- A Level achievement was 99.50 per cent.

13. The overall achievement rate for Brinsbury for 2019/20 was 92.20 per cent and for Chichester College it was 91.10 per cent.

14. The achievement rates for Crawley College were as follows:

- Level 1 - achievement for 16 - 18 learners was 88.30 per cent. At 19+ achievement was 91.30 per cent.
  - Level 2 - for 16 - 18 learners achievement was 92.70 per cent. For 19+ learners achievement was 82.70 per cent.
  - Level 3 - for 16 - 18 learners achievement was 85.50 per cent. For 19+ learners achievement was 82.20 per cent.
15. Sally stated that the drop in achievement for adults at Level 2 at Crawley had been due to breaks in learning as a result of the pandemic or where learners had withdrawn due to commitments at home during lockdown. Many adults who had been unable to complete in 2019/20 had returned to College this year. The overall achievement rate for Crawley for 2019/20 was 88.80 per cent.
16. The achievement rates for Worthing College were as follows:
- Applied Generals Level 3 - 93.60 per cent.
  - Applied Generals Level 2 - 88 per cent.
  - A Levels - 94.30 per cent.
17. The overall achievement rate for Worthing College for 2019/20 was 92.40 per cent.
18. With regard to apprenticeship achievement, Sally reported the overall rates:
- Chichester and Brinsbury 67 per cent.
  - Crawley 66 per cent.
  - Worthing 83 per cent.
19. For the Group, the overall achievement rate for apprenticeships was 66.90 per cent. These rates represented a decline in apprenticeship achievement at all Colleges. A number of issues relating to the pandemic were impacting the position, nationally approximately 36 per cent of apprentices had been furloughed, around 20 per cent had experienced breaks in learning and could not complete assessments and around 10 per cent had been made redundant. It was expected that the national average for 2019/20 would drop. The switch from frameworks to standards had also impacted achievement.
20. Sally summarised the achievement results by the equality and diversity measures. The gap in achievement by age was due to the impact of COVID and the fact that adult learners had been adversely impacted by commitments outside of College. It was noted that there was a gap in achievement for looked after learners which would be an area of focus at progress review meetings. It was also noted that learners who received additional learning support achieved better than those who did not receive learning support.

21. Moving on to Maths & English results, Sally reported that there had been a drop in the number of learners taking Functional Skills. As learners were familiar with GCSEs, the focus for the Group was on progress by taking a GCSE rather than a Functional Skills qualification. Overall Functional Skills achievement for the Group was 78.90 per cent, slightly below achievement for 2018/19. There had been a significant number of students who worked for the NHS in the cohort, this group did not take their assessment due to pandemic. The overall achievement rate for Maths & English was 94.60 per cent
22. The overall achievement rate for the Group was 90.80 per cent, in comparison to 86.30 per cent for 2018/19. In response to a question from the Corporation, Sally stated that there had not been any guidance on exams for summer 2020/21 to date. For 2019/20 lecturers in vocational areas had worked extremely hard to ensure students could complete assessments in order to demonstrate that they had reached industry standard.

## **RISK MANAGEMENT AND ASSURANCE**

23. The Corporation received for consideration the Risk & Assurance report for the autumn term 2020/21, together with the updated Risk Registers and a presentation to provide an overview of the Group's risk environment.

Copy attached at APPENDIX 3.

24. Steve Coulthard stated that in light of the pandemic the overall risk environment remained very high. Of the 15 strategic risks, six were rated at the highest level. In terms of challenges business continuity remained very high, considerable work was taking place to ensure that teaching and learning could take place as safely as possible. The Group's biggest financial risk was the impact of the pandemic on commercial operations. The overall rating for governance and reputation was moderate to high. This reflected the reputational risk of COVID as well the Executive Principal's secondment to GB Met. The HR and Corporate Services area included business continuity and health & safety, the risk level had been rated as very high. This area included staff recruitment and recognised posts at Crawley and Brinsbury which had been difficult to fill. The quality and curriculum risk area was rated moderate. The risk level for the commercial and growth area was rated as very high, as previously noted the pandemic had significantly impacted commercial activity. For apprenticeships there seemed to be some positive news in terms of starts.
25. In response to a question from the Corporation in relation to the impact of BREXIT on the Group's International offer, Shelagh Legrave stated that it was not clear yet whether a trade deal would have an impact on International. Julie Kapsalis stated that staff in the International Team had experience in terms of visas and additional requirements to study in the UK. It was not clear whether costs would

be attached to such requirements, if so this could drive up costs and therefore make UK less appealing. In response to a further question from the Corporation, Steve confirmed that the amber rated assurance area related to the funding audit which was undertaken in 2019/20. It was

**Resolved**

**That the updated Risk & Assurance Report and updated Risk Registers, as set out at APPENDIX 3, be adopted.**

**CHICHESTER COLLEGE GROUP'S REMUNERATION COMMITTEE ANNUAL REPORT 2019/20**

26. The Corporation received for consideration the Annual Report of Chichester College Group's Remuneration Committee for 2019/20.

Copy attached at APPENDIX 4.

27. Catherine Vinall stated that the report provided an overview of the approach to Senior Post Holder remuneration at Chichester College Group, a comparison of salaries and overview of the performance related pay scheme which operated at the Group. The comparison's provided in the report were against salary benchmarking information for 2018/19 as the annual salary survey had not been undertaken for 2019/20. If approved by the Corporation the report would be submitted to the ESFA with the accounts pack for 2019/20. It was

**Resolved**

**That the Annual Report of the Remuneration Committee for 2019/20, as set out at APPENDIX 4, be adopted and submitted to the Education & Skills Funding Agency.**

**CHICHESTER COLLEGE GROUP SENIOR POST-HOLDER CAPABILITY PROCEDURE**

28. The Corporation received for consideration the Senior Post-holder Capability Procedure.

Copy attached at APPENDIX 5.

29. Catherine Vinall stated that the process applied specifically to senior post-holders and the Clerk to the Corporation. It had been based on the process in place for staff, the only change was the people involved in hearing a capability procedure. Catherine confirmed that the procedure had been drafted in line with ACAS guidance and had been recommended for adoption by the Governance

& Search Committee. In response to a question from the Corporation, regarding the Group's severance policy, Catherine agreed to check what was in place. It was

**Resolved**

**That the Chichester College Group Senior Post-holder Capability Procedure, as set out at APPENDIX 5, be adopted.**

**CHICHESTER COLLEGE GROUP STUDENT UNION CONSTITUTION**

30. The Corporation received for consideration the revised Chichester College Group Student Union Constitution.

Copy attached at APPENDIX 6.

31. Catherine Vinall stated that the Student Union Constitution had been reviewed to formalise arrangements which were operating at Chichester, Brinsbury, Crawley, Worthing and Haywards Heath. Other changes had been made to create greater flexibility around membership of the College Student Executive bodies and simplify expenditure processes. The Constitution had been recommended for adoption by the Governance & Search Committee. It was

**Resolved**

**That Chichester College Group's Student Union Constitution, as set out at APPENDIX 6, be adopted.**

**CHICHESTER COLLEGE GROUP MANAGEMENT ACCOUNTS, FINANCIAL STATEMENTS AND MEMBERS' REPORT FOR 2019/20**

32. The Corporation received for information the Management Accounts, Movement Summary, Financial Statements and Members' Report for 2019/20 for Chichester College Group and the subsidiary companies, together with the draft Audit Findings Report from RSM UK Audit LLP, the Corporation's External Auditors.

Copies attached at APPENDICES 7, 8, 9, 10, 11 and 12.

**a) CCG Management Accounts 2019/20**

33. Steve Coulthard stated that the budget had been for a deficit of £1.6m with an EBITDA figure of £2.5m. At the mid-year forecast it had appeared that Group was travelling reasonably well against the budget. This had changed as the pandemic and lockdown had started to impact the Group's financial position,



particularly in commercial areas. The Group had ended the year with a deficit of £3.3m and EBITDA OF £947,000. This was £1.7m behind budget, although better than the position in the COVID forecast undertaken at Easter 2020.

34. The overall surplus from commercial operations should have been around £2m. The accounts showed that First Steps and International Operations had ended the year at break-even, Anglia had achieved a small surplus and Conferencing and Commercial were significantly behind budget.

**b) Movement Summary 2019/20, CCG Members' Report & Financial Statements and draft Audit Findings Report RSM UK Audit LLP**

35. Steve Coulthard stated that as a result of the coronavirus pandemic the sector had been given an extension for the submission of the statutory accounts to the ESFA. This was in recognition of the financial impact of COVID and lockdown on college finances. The Members' Report and Financial Statement were presented in draft format as further work was required to conclude the going concern statement. Page six of the Members' Report explained the adjustments that had taken place and reconciled the underlying financial position at the year-end, which was a deficit of £3.1m. It was noted that there had been a considerable FRS102 adjustment in relation to pensions.
36. With regard to the draft Audit Findings Report, there had been one amber rated internal control recommendation had been raised during the audit work which related to the Group's Financial Regulations. Steve confirmed that work to review the Financial Regulations was being taken forward by the Finance Team. It was noted that although the Group was not satisfied with the financial position at the year-end, there had been very few adjustments which was a credit to the Finance Team in such exceptional circumstances.
37. In response to a question from the Corporation, Shelagh Legrave stated that the Group had been adversely impacted due to the diversity of it's income and range of commercial business which has supported FE. In terms of support for colleges facing financial challenges, Shelagh felt that the FE White Paper would seek to address controls the Government would want in place. In response to a further question from the Corporation, Shelagh confirmed that organisational changes had already started in the Group's commercial areas as a result of the financial impact of the pandemic.
38. It was noted that the accounts for Anglia Examination Syndicate and First Steps Childcare Group were currently in draft format as further work was required in relation to the going concern status of each company. For 2019/20 both companies were showing a loss. This was due to pension adjustments and the impact of the pandemic. There had also been an issue relating to the gift aid distribution which would be discussed under the confidential part of the meeting.

39. A further Corporation meeting would be arranged to consider approval of the Members' Report & Financial Statements once going concern and external audit work had been completed.

#### **CHICHESTER COLLEGE GROUP'S AUDIT & RISK COMMITTEE ANNUAL REPORT 2019/20**

40. The Corporation received and noted the draft Annual Report of Chichester College Group's Audit & Risk Committee for 2019/20.

Copy attached at APPENDIX 13.

41. Catherine Vinall stated that the report provided a summary of the work undertaken by the Audit & Risk Committee in 2019/20 and overview of the work undertaken by the Group's internal and external auditors, Mazars LLP and RSM UK Audit LLP. The report was in draft and would be completed once the external audit work had been finalised allowing the external auditors to set out their opinion. Catherine confirmed that the Audit & Risk Committee opinions would be confirmed when the audit work had been concluded. A final version of the report would be presented to a future meeting of the Corporation.

#### **OFFICE FOR STUDENTS HIGHER EDUCATION REPORTABLE EVENT**

42. The Corporation received and noted a report to provide a summary of the reportable event in relation to the Group's higher education provision.

Copy attached at APPENDIX 14.

43. Helen Loftus reminded the Corporation that the Office for Students was the regulatory body for Higher Education. The Group were required to inform the Corporation of any events deemed to be reportable by the Office for Students. This included the decision by Chichester College Group to exit a partnership arrangement with the OU to deliver the Chartered Manager Degree Apprenticeship. Helen confirmed that the Group had not been able to recruit a sufficient number of students to warrant the fees payable to the OU. In response to a question from the Corporation, Helen stated that with hindsight it was a competitive market, the course was also offered by local universities. In response to a further question, Helen confirmed that it was not possible to mitigate the exit fee.

## **MANAGEMENT ACCOUNTS TO 31 OCTOBER 2020**

44. The Corporation received for information the Management Accounts for the period to 31 October 2020, together with a presentation to provide an update on the financial situation.

Copy attached at APPENDIX 15.

45. Steve Coulthard stated that all colleges had been asked to provide the ESFA with an additional forecast as part of their monitoring of colleges cash positions in the light of the pandemic. This had been a detailed piece of work for the Finance Team and was three months ahead of the annual forecast process. The first quarter management accounts showed a reasonable start to the year, at the end of October the Group was £105,000 behind budget. The accounts showed that there was work to do on adult educations, early returns were showing low numbers. Apprenticeships appeared to be on target but there was work to do to validate numbers. Both non-pay and pay were holding well at the end of the first quarter but there was further work to do.
46. In terms of cash flow, the forward cash flow had been adjusted to include the forecast. This showed an improved position at the end of March 2021, in part due to the Government's capital condition fund. It was

### **Resolved**

**That the update on the position reported in the Management Accounts for the period to 31 October 2020, be noted.**

## **MAZARS LLP CHICHESTER COLLEGE GROUP INTERNAL AUDIT ANNUAL REPORT 2019/20**

47. The Corporation received for information the Chichester College Internal Audit Annual Report 2019/20 from Mazars LLP.

Copy attached at APPENDIX 16.

48. Helen Kilpatrick CB stated that the Internal Auditor's annual report provided an overview of the internal audit work undertaken during 2019/20. The report included a range of benchmarking data comparing the Group's performance against the Mazars client base. The overall opinion of the internal auditors was one of moderate assurance. The benchmarking information showed that the Group compared well on the number of recommendations raised during the year and the levels of assurance given.

## **MAZARS LLP INTERNAL AUDIT REPORTS - AUTUMN TERM 2020/21**

49. The Corporation received for information the Internal Audit reports for Subcontracting, Payroll and Human Resources.

Copies attached at APPENDIX 17.

50. Helen Kilpatrick stated that three areas had been reviewed since the last Corporation meeting. The audit of subcontracting was measured against criteria set by the ESFA and was undertaken on an annual basis. The audit had identified four recommendations, one significant and three housekeeping. The audit of payroll process had concluded that adequate assurance could be placed on the effectiveness of internal controls. Four significant recommendations had been raised and one housekeeping recommendation. The review of Human Resources had also concluded that adequate assurance could be placed on the effectiveness of internal controls, one significant and two housekeeping recommendations had been raised. Helen confirmed that actions had been agreed to address all of the recommendations. It was noted that no fundamental recommendations had been raised through the reviews. In response to a question from the Corporation, Steve Coulthard confirmed that the College Group continued to reduce its subcontracted arrangements. There had been no new starts for 2020/21, the only arrangements in place were where apprentices needed to complete their qualifications.

## **SUMMARY OF COMMITTEE AND BOARD MEETINGS - AUTUMN TERM 2020/21**

51. The Corporation received and noted a summary of the business which had been undertaken by the Standing Committees during the autumn term 2020/21.

Copy attached at APPENDIX 18.

52. Catherine Vinall reminded the Corporation that members were welcome to observe any of the Committee or Board meetings. If they wished to attend they should contact the Clerk to make arrangements.

## **CALENDAR OF MEETINGS 2021**

53. The Corporation received and noted the calendar of meetings for 2021.

Copy attached at APPENDIX 19.

## **DATES OF FUTURE MEETINGS**

54. It was noted that the next scheduled meeting of the Corporation would take place on Wednesday, 31 March 2021 at 4.00 pm. The date for the next Governor Development Event was Tuesday, 2 February 2021 at 2.00 pm, venue to be confirmed.

## **CONFIDENTIAL BUSINESS**

55. 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.**