

**MINUTES OF THE MEETING OF THE CORPORATION MEETING HELD ON
WEDNESDAY, 10 JULY 2019**

Present:

Margaret Eva OBE (Chair)
Dr James Sarmecanic (Vice-Chairman)
Marilyn Billingham
Dr Roy Bowden
Steve Cooper
Tom Crowley
Andy Davies (Staff Governor)
Jane Dodsworth
Nick Fox
David Hobson
Helen Kilpatrick CB
Shelagh Legrave OBE DL
Nick Sutherland
Caroline Wood

In Attendance:

Sally Challis-Manning, Deputy Principal, Quality
Steve Coulthard, Chief Financial Officer
Vicki Illingworth, Principal, Crawley College
Julie Sleeman, Director of Strategy
Catherine Vinall, Clerk to the Corporation

APOLOGIES FOR ABSENCE

166. Apologies for absence were received from Jeff Alexander, Anne Curle, Ryan Sallows, Sophie Sargent, Paul Wright and Roger Paterson.

DECLARATION OF INTERESTS

167. 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

168. The Minutes of the Meeting of the Corporation held on Tuesday, 2 April 2019 were taken as a correct record and signed by the Chairman.

CHIEF EXECUTIVE'S TERMLY PROGRESS REPORT - A REVIEW OF 2018/19

169. Shelagh Legrave gave a presentation to the Corporation to provide an update on progress against the Strategic Plan and a review of 2018/19. The Corporation also received a dashboard to provide an update on progress against the key performance indicators in the Strategic Plan 2017 - 2020.

Copy attached at APPENDIX 1.

170. Shelagh reminded the Corporation that the first objective was to achieve outstanding teaching and learning across the Group. The results for the first key performance indicator would be reported under the next agenda item, the Group Performance report. For the target relating to the progress made by students, Shelagh stated that for A Level students value added information showed that students made average progress. For Applied General students' progress was below average but this was not comprehensive coverage of Level 3 provision across the Group as Applied Generals were only part of the Level 3 provision. The final KPI focussed on student satisfaction and was rated as green, 96 per cent of students who had responded to the end of year student survey at Chichester College had rated their teaching as good. At Crawley College 92 per cent of students who had responded to the end of year student survey had rated their teaching as good. In addition, Shelagh was pleased to report that the Group had successfully registered with the new regulatory body for Higher Education (HE) in England, the Office for Students. Registration was at a considerable cost but was key as it impacted the Group's ability to deliver HE. In the National Student Survey results for HE provision the satisfaction level for HE students at Chichester College Group had increased from 72 per cent in 2018 to 87.6 per cent in 2019.
171. The second objective related to a curriculum relevant for today, with the first objective looking at progression to work, university or further education. For the destination survey carried out for students who left in July 2018, Shelagh reported that 99 per cent of respondents had moved on to university, work or further education. The second key performance indicator had been rated green as 80 per cent of students who had applied for a university place had gained a place.
172. The third objective was to engage employers to supply and upskill their workforce. The first KPI had been rated as green as the Group was currently rated as 17th in the national tables for success, this was up as Chichester College

had been ranked at 60th the previous year. The next performance indicator linked to employer satisfaction and had been rated as amber as 85 per cent of employers responding to the FE Choices survey had stated that they would recommend Chichester College Group as a provider. This was against a target of 85 per cent and was up from 74 per cent for the previous year. In response to a question from the Corporation, Shelagh stated that this result was for Chichester, Brinsbury and Crawley. The data was provided by the Government and it was not possible to break it down to see responses relating to different campuses. The fourth objective focussed on the Group's commercial operations. The key performance indicators for First Steps and International had been rated as amber as both areas were currently below the budget set for the year. The key performance indicator for Anglia had been rated green as the company was forecasting to achieve the budgeted surplus for the year. The final objective, to acquire a private training provider, had been rated red. I had been agreed to remove this objective from the next Strategic Plan as it was no longer a priority for the Group.

173. The fifth objective related to staff satisfaction and combined staff survey results from Chichester, Brinsbury and Crawley. The first key performance indicator was rated amber as 85.8 per cent of respondents had stated that they were proud to be an employee of Chichester College Group, against a target of 90 per cent. The second KPI had been rated green, with 92 per cent of respondents stating that they felt their contribution was valued by their line manager, against a target of 90 per cent. The next KPI was amber, with 89.8 per cent of respondents agreeing that they were encouraged to try new things without fear of failure, again against a target of 90 per cent. The last KPI was rated green with 92.3 per cent of respondents stating that they felt they had the autonomy to do a good job.
174. The next objective was to create a strong College Group. Progress against the first KPI would be reported as part of the Group Performance report. The second KPI was rated green and showed that there was a 1.4 percentage point difference between the staff survey results at Chichester & Brinsbury and Crawley College. The next KPI was amber as there had been a three per cent increase in student numbers at Brinsbury, against a target of five per cent. The last KPI was rated green as progress against the merger transition plans was green.
175. The final objective related to the Group's financial viability. The Group's financial position would be reported in detail later in the meeting. The first KPI was rated red as the budgeted deficit for 2018/19 would not be achieved by the year end. The next two KPIs were rated green as the Group was forecasting to achieve the Adult Skills funding targets and would maintain positive cash balances throughout the year.
176. Providing an update from the Group Leadership Team, Shelagh confirmed that, in line with his new role as part of the Group, Paul Riley had been appointed as

the Principal of Haywards Heath College. In addition, Sally Challis-Manning had been formally appointed as the Principal of Brinsbury. Sally had been the senior lead at Brinsbury for some time and the change reflected that position. In terms of the FE sector, the Augar Review had been published in May 2019. The report was a review of post-18 education and funding and included a number of strong recommendations which supported the FE sector, including investment in FE capital and that all adults should be entitled to Level 2 and Level 3 qualifications for free. While the recommendation in the report were a positive step for the FE sector, it was unclear whether any of the recommendations would be taken forward. Shelagh reminded the Corporation that the Group would start to deliver T Levels in three areas in September 2020, Construction, IT and Child Care. Chichester College Group had now been selected to deliver the next tier of T Levels from September 2021.

177. Lastly, Shelagh summarised some of the successes for Chichester College Group in 2018/19. Brinsbury had seen a successful Brinsbury Show and had won a number of awards at the annual South of England Show. Crawley students had seen success at the regional SkillWeld competition, taking all three top places. Former Chichester student, Owen Aldous, would be competing at the Worldskills competition in Kazan in August. Students from Worthing College had won the national annual beach rugby competition and had seen success for their netball and football teams. At Crawley work continued to raise the profile of the College in the community. This had included a fantastic STEMFest in Crawley, where the College had welcomed a large group of students from local primary schools on the first day and hosted a busy open event on the second day.

CHICHESTER COLLEGE GROUP PERFORMANCE REPORT 2018/19

178. The Corporation received for information a presentation to provide an update on the performance of teaching and learning across the Group for 2018/19, this included attendance and retention rates for the year and the overall predicted achievement rates and apprenticeship achievement for 2018/19.

Copy attached at APPENDIX 2.

179. Sally Challis-Manning and Vicki Illingworth gave a presentation to update the Corporation on the performance of teaching and learning during 2018/19. The report included results from Worthing College. The overall attendance rate for Worthing College was 90 per cent. For Chichester and Brinsbury the attendance rate for 2018/19 was 89 per cent and for Crawley the overall attendance rate was 80 per cent. For Crawley this was a drop of one per cent in comparison to the previous year and although disappointing, it was likely that the fall in attendance was due to the increase in retention at Crawley, more students were staying on at College but some were struggling with attendance. As a result

there would be a continued focus on attendance at Crawley in 2019/20. At Group level this produced an attendance rate for 2018/19 of 88 per cent.

180. The retention rates for Worthing, Chichester and Brinsbury and Crawley were as follows:

- Worthing Level 1 - for 16 - 18 learners was 90.4 per cent, compared to 94.8 per cent in 2017/18. For 19+ learner the retention rate was 92.3 per cent, compared to 90.9 per cent in 2017/18. It should be noted that the Level 1 cohort was very small.
- Worthing Level 2 - for 16 - 18 learners retention was 93.6 per cent, compared to 89 per cent for 2018/18. For 19+ learners retention was 84.8 per cent, compared to 88.8 per cent in 2017/18. Again the Level 2 cohort of learners was very small.
- Worthing Level 3 - for 16 - 18 learners the retention rate was 90.2 per cent, compared to 87.6 per cent in 2017/18. At 19+ the retention rate 89.7 per cent, compared to 76.7 per cent in 2017/18.
- Chichester and Brinsbury Level 1 - for 16 - 18 learners retention was 96.6 per cent and for 19+ learners it was 98 per cent.
- Chichester and Brinsbury Level 2 - for 16 - 18 learners 92.7 per cent and for 19+ learners it was 96.9 per cent, in comparison to 94.3 per cent in 2017/18.
- Chichester and Brinsbury Level 3 - retention for 16 - 18 learners was 96.1 per cent. At 19+ retention was 95 per cent.
- Crawley Level 1 - retention for 16 - 18 learners was 95 per cent in comparison to 93.1 per cent in 2017/18. At 19+ retention was 95.1 per cent, in comparison to 90 per cent in 2017/18.
- Crawley Level 2 - for 16 - 18 learners retention was 94 per cent, in comparison to 93.4 per cent. For 19+ learners retention was 93.3 per cent, a slight drop from 94.2 per cent in 2017/18.
- Crawley Level 3 - for 16 - 18 learners retention was 96.2 per cent in comparison to 93.3 per cent in 2017/18. For 19+ learners retention had dropped from 96.2 per cent in 2017/18 to 88.3 per cent.

181. In response to questions from the Corporation, Sally stated that that there had been a strategy in place at Worthing College which had focussed on retention at Level 3. The results could be seen in the retention rate for 2018/19 for Worthing but Sally felt there was further work which could be done to share good practice across the Group. With regard to Level 2 retention at Crawley, Vicki reported that the slight decline at Level 2 had been due to retention for some language courses. At Level 3 the issue with retention had been with one particular Access group. At Chichester and Brinsbury there had been a focus on support for 19+ learners which could be seen in the results.

182. The results outlined above produced a predicted achievement rate for Worthing College for 2018/19 of 84.9 per cent, for Chichester and Brinsbury 87.9 per cent and for Crawley 83.5 per cent. The overall predicted achievement rate for Chichester College Group for 2018/19 was 86.7 per cent.
183. Moving on to Apprenticeship achievement, predicted achievement was based on the mid-point between actual achievement and the best case scenario for the year-end position. For Worthing College the predicted achievement rate for all levels, all ages was 82 per cent. This was in comparison to 78.8 per cent for 2017/18. For Chichester and Brinsbury predicted achievement was as follows:
- 16 - 18 Apprentices - 67.4 per cent, compared to 74 per cent in 2017/18.
 - 19 - 23 Apprentices - 74.8 per cent, compared to 76 per cent for 2017/18.
 - 24+ Apprentices - 79.5 per cent, compared to 79 per cent for 2017/18.
184. Sally reported that the drop at 16 - 18 and 19 - 23 was partly due to new assessment structures for the Apprenticeship Standards. The areas of concern were in Construction and Care. In addition in Care there had been issues with Maths & English. Specific support included the appointment of new Maths & English Trainers to support apprentices to achieve.
185. For Crawley, predicted achievement for Apprenticeships was:
- 16 - 18 Apprentices - 69.4 per cent, compared to 76.1 per cent in 2017/18.
 - 19 - 23 Apprentices - 85.6 per cent, compared to 81.2 per cent for 2017/18.
 - 24+ Apprentices - 72.9 per cent, compared to 79.3 per cent for 2017/18.
186. Vicki stated that for Crawley the drop for 16 - 18 apprentices had in part been due to changes in enrolment processes. The predicted achievement rate for apprenticeships across the Group was 76.6 per cent.
187. In response to a question from the Corporation, Sally stated that in terms of preparation for an Ofsted inspection, she was comfortable with the data but Apprenticeships needed to be monitored closely. It was noted that although the new inspection framework did not include a specific grade for achievement it would continue to be an area of interest for inspectors. The new inspection framework itself would be a challenge. With regard to attendance, Sally stated that there were specific strategies in place to support areas that struggled with attendance. Meetings took place throughout the year to review progress and

areas for improvement were identified through the self-assessment process. Maths & English continued to be a challenge, particularly in terms of attendance.

CHICHESTER COLLEGE GROUP STRATEGIC PLAN 2019 - 2022

188. The Corporation received for consideration the Group's Mission, Vision and Strategic Plan for 2019 - 2022.

Copy attached at APPENDIX 3.

189. Shelagh Legrave stated that Chichester College Group's (CCG) Mission, Vision and Strategic Objectives had been reviewed in the light of the merger with Worthing College. The work had started with the Corporation at their strategy day in May. The main changes were to reflect the Group's aspiration to consolidate recent growth, amendments to ensure that the key performance indicators were relevant and measurable and changes to include Worthing College in the plan. Shelagh drew the Corporation's attention to the Vision which currently stated 'It (CCG) will be the first choice for further and higher education for our local communities'. Shelagh stated that she was not comfortable with the reference to higher education (HE), particularly as the Group worked with a number of HE institutions and was keen to protect those relationships. It was suggested that the Vision should be amended to read 'It will be the first choice for further education for our local communities'. After a brief discussion it was

Resolved

That Chichester College Group's Strategic Plan 2019 - 2022, be approved, subject to the amendment to the Vision outlined above.

MERGER WITH WORTHING COLLEGE - ACCOUNTING TREATMENT

190. The Corporation received for consideration a recommendation regarding the accounting treatment of the merger with Worthing College.

Copy attached at APPENDIX 4.

191. Steve Coulthard stated that there was a requirement to approve the accounting treatment for the merger with Worthing College. Upon review of the criteria set out in FRS102 and in line with advice from the Corporation's external auditors, RSM UK LLP, it was recommended that the acquisition accounting methodology should be applied. It was

Resolved

That the merger with Worthing College should be dealt with through the acquisition accounting methodology.

APPOINTMENT OF THE NEXT CHAIRMAN AND VICE-CHAIRMAN OF THE CORPORATION

192. Margaret Eva OBE reminded the Corporation that she would be stepping down as Chair of the Corporation at the end of July 2019. On the motion of Margaret Eva, seconded by David Hobson, it was

Resolved

That Dr James Sarmecanic be appointed as the next Chair of the Corporation from 1 August 2019 to 31 July 2021, with the option to extend the term of office for a further year.

i) Appointment of the Vice-Chairman of the Corporation

193. On the motion of Margaret Eva, seconded by Shelagh Legrave, it was

Resolved

That Jane Dodsworth be appointed as Vice-Chairman of the Corporation from 1 August 2019 to 31 July 2021, with the option to extend the term of office for a further year.

COLLEGES' SENIOR POST HOLDER REMUNERATION CODE

194. The Corporation received for consideration a recommendation from the Governance & Search Committee to adopt the Colleges' Senior Post Holder Remuneration Code.

Copy attached at APPENDIX 5.

195. Catherine Vinall stated that the Remuneration Code had been developed by the Association of Colleges in response to greater scrutiny of salaries in the FE sector and to address requirements of the Higher Education Office for Students registration process. Adoption of the Code was voluntary but if adopted Corporations would need to provide explain issues of non-compliance. Reporting against the Code would be through the Annual Report as part of the governance section. In the interests of openness and transparency, the Code had been recommended for adoption by the Governance & Search Committee. In response

to a question from the Corporation, Catherine stated that the cost implications would relate to staff time to assess whether the Group complied with the Code and other reporting requirements set out within the Code. It was

Resolved

That the Colleges' Senior Post Holder Remuneration Code, as set out at APPENDIX 5, be adopted.

GOVERNANCE & SEARCH COMMITTEE TERMS OF REFERENCE

196. The Corporation received for consideration a recommendation from the Governance & Search Committee to approve the updated Committee Terms of Reference.

Copy attached at APPENDIX 6.

197. Catherine Vinall stated that the Terms of Reference for the Governance & Search Committee had been updated to reflect flexibility around the membership of the Committee and to clarify the areas of business dealt with by the Committee. The Terms of Reference had been considered by the Governance & Search Committee and were recommended for adoption. It was

Resolved

That the Terms of Reference for the Governance & Search Committee, as set out at APPENDIX 6, be approved.

HONORARY FELLOWSHIP

198. The Corporation received for consideration a recommendation from the Governance & Search Committee in respect of the award of the Honorary Fellowship.

Copy attached at APPENDIX 7.

199. Margaret Eva OBE stated that this year the Governance & Search Committee had recommended that the award of Honorary Fellow should be given to Alison Moorey, the Chief Executive of St Wilfrid's Hospice in Chichester. It was

Resolved

That the award of Honorary Fellow be given to Alison Moorey, Chief Executive of St Wilfrid's Hospice, Chichester at the Graduation Ceremony in September 2019 in recognition of her contribution to the local community.

CCG RISK AND ASSURANCE REPORT

200. The Corporation received for consideration a report providing an update on Risk Management and Assurance, together with the revised Risk Registers for Chichester College Group.

Copy attached at APPENDIX 8.

201. Dr James Sarmecanic stated that the risk environment remained high across the majority of the risk areas. The main change in the risk ratings had been to raise the overall rating for Finance & MIS to very high. This was due to the fact that the Group would not meet the budget for 2018/19 and was struggling to meet the mid-year forecast. Work on the budget for 2019/20 was ongoing and it was clear that it would be another challenging year. James confirmed that, despite the high level of risk ratings, the Audit & Risk Committee were satisfied with the rigour and degree of care which had been taken.

Resolved

That the Risk Registers for Chichester College Group, as set out at APPENDIX 8, be adopted.

INTERNAL AUDIT STRATEGY AND OPERATIONAL PLAN 2019/20

202. The Corporation received for consideration the Internal Audit Strategy and Operational Plan for 2019/20 produced by the Corporation's Internal Auditors, Mazars LLP.

Copy attached at APPENDIX 9.

203. Dr James Sarmecanic stated that the Internal Audit Strategy and Plan for 2019/20 had been developed in consultation with the Chief Financial Officer and was also based on the Group's Risk Register and the results of previous audit work. The Plan for 2019/20 included Worthing College. The plan included areas such as Subcontracting and Learner Number Systems which were reviewed on an annual basis. The Plan had been amended to bring forward the review of International in the place of the review of HE and Apprenticeships which had been postponed. The number of audit days for 2019/20 had increased to 61 days, in comparison

to 59 for the current year. This was to take account of the growth to include Worthing College and to reflect the diversity of the Group's offer. In response to a question from Caroline Wood, Steve Coulthard stated that he felt comfortable that the review of apprenticeships had been deferred, the area was monitored closely by the Group Leadership Team and was covered in a number of the sub-risks in the Risk Registers. It was

Resolved

That the Internal Audit Strategy and Operational Plan produced by Mazars LLP for 2019/20, as set out at APPENDIX 9, be adopted.

MANAGEMENT ACCOUNTS TO 31 MAY 2019

204. The Corporation received the Management Accounts for the period to 31 May 2019, together with a report to provide an update on the non-pay forecast.

Copy attached at APPENDIX 10.

205. Steve Coulthard reminded the Corporation that a full re-forecast had taken place at the end of January 2019. At that point a year end deficit of £2.9m was predicted. By the end of May the accounts were showing a decline in that position, particularly with regard to the non-pay budget. For this reason another £700,000 had been added to the non-pay forecast. The overall result at the end of May 2019 was a deficit of £2.5m against the budget of a deficit of £968,000. The non-pay issue had, in part, occurred due to an increase in the use of agency staff. In response to a question from the Corporation, Steve stated that the additional expenditure of agency staff had been across a range of areas, including teaching and business support. Julie Sleeman felt it was reflective of the job market and the salaries the Group was able to offer. For this reason the Resources Committee had recently approved a Market Supplement policy which would enable salaries to be enhanced for particular roles.
206. In response to a question from the Corporation, Steve stated that a number of actions had been put in place to address the shortfall in the financial position. There had been a complete review of the Group's budgets of which there had been over 200. These had been rationalised and going forward there would be approximately 130 budget areas. It was hoped this would be more manageable for budget holders. There would be additional resource in the Finance Team to support budget holders and the finance system now included the facility to control expenditure, funds checker. The finance system was also being enhanced to include a dashboard to provide a visual representation of budgets. Work to bring in more income would continue over the last months of the year. Shelagh Legrave stated that the Group Leadership Team were extremely uncomfortable with the situation and were taking steps to reduce the Group's

cost base. A report on savings would be provided under the confidential part of the meeting. In response to a question from the Corporation, Shelagh stated that a report to benchmark financial performance in the sector was presented to the Finance & General Purposes Committee each year. The information for 2017/18 showed that the sector as a whole was struggling. In the main this was due to the fact that the basic funding rate had been static for the last five years but costs had continued to increase. Chichester College Group was fortunate to have cash reserves but it could not continue to support operational spend with cash.

INTERNAL AUDIT REPORTS

207. The Corporation received for information a summary of the internal audit reports completed during the summer term, together with the Internal Audit Progress Report from Mazars LLP for Learner Number Systems, Subcontracting and Follow Up work.

Copies attached at APPENDIX 11.

208. Dr James Sarmecanic stated that three areas had been reviewed since the last Corporation meeting. The review of Learner Number Systems had concluded that Chichester College Group was partially compliant with funding rules for 16 - 18 learners and 19+ learners, learner loans and apprenticeships. There had been two significant recommendations, one housekeeping recommendation and in follow up work undertaken as part of the audit there had been three significant recommendations and one housekeeping recommendation. The Audit & Risk Committee were disappointed with the outcome of the review but, in part, this was due to the volume of work but also because systems and processes continued to be embedded across the Group. The issues highlighted were not uncommon within the sector.
209. The review of Subcontracting had raised three recommendations, two significant and one housekeeping. The Audit & Risk Committee were satisfied that actions were in place to address the recommendations. The review of Follow Up work has shown that considerable work had been done to complete outstanding recommendations and the number was now down to a more manageable level.

DEPARTMENT FOR EDUCATION COLLEGE OVERSIGHT SUPPORT AND INTERVENTION POLICY DOCUMENT

210. The Corporation received for information the College Oversight Support and Intervention Policy Document produced by the Department for Education.

Copy attached at APPENDIX 12.

211. Catherine Vinall stated that the Department for Education College Oversight Support and Intervention Policy set out the process for support and intervention where a college was experiencing financial and/or quality issues. The College Insolvency Regime was one element of intervention which could be applied and was referenced in the Policy document. In response to a question from the Corporation, Shelagh Legrave stated that the Group Leadership Team met regularly with the Education & Skills Funding Agency and Transaction Unit to monitor progress against the Group's merger plans.

SUMMARY OF COMMITTEE BUSINESS

212. The Corporation received for information a summary of business considered at the Corporation's Committees and Boards during the Summer Term 2018/19.

Copy attached at APPENDIX 13.

213. The report provided an overview of the business considered at Committee and Board meetings which had taken place during the summer term. If anyone required a full copy of the minutes these were available from the Clerk. Members of the Corporation were welcome to observe any of the Committee or Board meetings if they wished and should contact the Clerk to make arrangements.

DATES OF FUTURE MEETINGS

214. It was noted that the next meeting of the Corporation would take place on Wednesday, 11 December 2019. It would be followed by Christmas Dinner in Restaurant 64 at Chichester College. The next Corporation Strategy/Development event would take place on Tuesday, 22 October 2019 at 2.00 pm. The venue was to be confirmed.

CALENDAR OF MEETINGS 2019/20 AND 2020

215. The Corporation received and noted the calendar of meetings for 2019/20 and 2020.

Copy attached at APPENDIX 14.

ANY OTHER BUSINESS

Erasmus Project

216. Shelagh Legrave was delighted to report that Chichester College Group had been granted 737,000 Euros for a European funded Erasmus project for fully funded work placements in Spain and Italy. The project would support 200 students over a two year period. On behalf of the Corporation, Shelagh thanked Lisa Humphries, Group Director of Student Services and Pastoral Support, who had led the project.

CONFIDENTIAL BUSINESS

217. 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.