

**MINUTES OF THE MEETING OF
THE CORPORATION
HELD ON WEDNESDAY, 31 MARCH 2021**

Present:

Dr James Sarmecanic (Chairman)
Jane Dodsworth (Vice-Chair)
Jeff Alexander
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
Sophie Sargent - Student Governor
Nick Sutherland
Caroline Wood
Paul Wright

In Attendance:

Sally Challis-Manning, 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

DECLARATION OF INTERESTS

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

MINUTES

93. The Minutes of the Meeting of the Corporation meeting held on Wednesday, 9 December 2020 were taken as a correct record of the meeting.

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

94. Shelagh Legrave gave a presentation to update the Corporation on progress against the objectives in the Strategic Plan. The Corporation also received a report to provide an overview of progress against the key performance indicators in the Group's Strategic Plan.

Copy attached at APPENDIX 1.

95. Shelagh reminded the Corporation that the first objective related to outstanding teaching, learning and assessment. Progress against this objective would be covered by the performance report to be presented by Sally Challis-Manning under the next agenda item. The second objective related to the Group's curriculum offer, in the main the objectives were reported later in the year. The target relating to routes in to HE was work in progress and had been rated as amber. In response to a question from the Corporation about the number of learners progressing to university, Shelagh confirmed that the Group would be carrying out a survey with students who had left in summer 2020 to identify destinations and progression. For the third strategic objective, Sally would also report on the achievement of apprentices. For the current year there had been no FE Choices survey but the Group would be running its own survey with employers. Shelagh was pleased to report on the growth in cash income for apprenticeships over the last three years, which was in line with the strategy to reduce partnership delivery.
96. The fourth objective linked to growth of the Group's commercial businesses, it was forecast that First Steps would achieve the budget set for the year. International and Accommodation might achieve budget but it was recognised that income that usually came in during the latter part of the year could be further impacted by the pandemic. Objective number five was linked to staff satisfaction and the staff survey results. The surveys would be launching imminently across all Colleges. Shelagh provided an update on the support that had been put in place which had included the Mental Health & Wellbeing Action Plan and Xtra support sessions which covered discussion and support groups, clubs and fitness classes. The sixth objective was to create a strong College Group. Three of the targets were reportable at different points in the year. The target to grow student numbers showed that this had been achieved at Brinsbury. To date the targets in the Group's merger plans had been met. The last objective

was related to financial performance, an update on the Group's financial position would be given later in the meeting.

97. Shelagh provided an update on the Group's funding allocations for 2021/22. For 16 - 18 learners the Group would receive £36.5m in funding, an increase of 37 funded students. Haywards Heath was excluded from this allocation as a separate arrangement was in place. The pension contribution from government had also been excluded. Adults Skills allocations were due to be issued at the beginning of April. The allocation was expected to be the same as the current year. Shelagh informed the Corporation that the government had announced that providers would be required to achieve 90 per cent of their Adult Skills budgets for the current year. This would be a challenge for the Group and it was unlikely to be met.
98. In relation to the virus, the Group had set up testing centres at all campuses to meet the requirement for all students returning to College on Monday, 8 March to have three Covid tests onsite. Almost 15,500 tests had been undertaken across the Group. Staff and students were now testing at home. Shelagh provided an update on learner engagement during the third lockdown, overall 89.21 per cent of learners had engaged. In response to a question from the Corporation, Sally Challis-Manning stated that registers had been taken throughout the latest lockdown, engagement was actual attendance.
99. In estates matters, the STEM Centre at Crawley had been completed, it was not yet fully occupied. It was hoped that the lease for Haywards Heath would be signed before Easter.
100. Lastly, Shelagh returned to the Group's mission to change lives through learning and shared some good news stories. Despite the pandemic many events had continued, including an online fashion show and hair masterclass with Lee Stafford. Worthing College students had been involved in a fascinating criminology project and at Haywards Heath the sports field had been refurbished and was almost ready to use.

CHICHESTER COLLEGE GROUP PERFORMANCE REPORT 2020/21

101. The Corporation received a presentation to provide an overview of performance at Chichester College, Brinsbury, Crawley and Worthing College during the spring term 2020./21

Copy attached at APPENDIX 2.

102. Sally Challis-Manning reported that attendance rates across the Colleges were healthy, with Chichester at 93.10 per cent, Crawley at 86 per cent, Brinsbury 92.50 per cent, Worthing at 90.60 per cent and Haywards Heath at 90 per cent.

At Group level the attendance rate to date was 91.49 per cent, this compared to 90.30 per cent for the full year 2019/20. In response to a question from the Corporation, Vicki Illingworth stated that at Crawley there was a higher proportion of Level 2 learners on vocational programmes. Some of these groups had struggled to engage in online learning and this had impacted attendance. Sally confirmed that there had been a real focus on engagement during the third lockdown and this had gained momentum with engagement improving over time. Some lecturers had been delivering personal learning packages to students.

103. The retention rates were as follows:
- Chichester for 16 - 18 learners retention was 94.9 per cent and for 19+ learners it was 96.5 per cent.
 - Brinsbury for 16 - 18 learners 98.3 per cent. At 19+ retention was 96.6 per cent.
 - Crawley for 16 - 18 learners retention was 98.4 per cent. At 19+ it was 97.5 per cent.
 - Worthing for 16 - 18 learners retention was 96.8 per cent. For 19+ learners it was 93.3 per cent.
 - Overall retention for Chichester College Group for 16 - 18 learners were 98.7 per cent and for 19+ learners 94.4 per cent.
104. Moving on to the analysis of equality and diversity data, Sally stated that at Group level female students had better attendance than male students, learners from non-disadvantaged areas had higher attendance than those from disadvantaged areas and non-BME learners also had better attendance than learners from BME backgrounds. Sally was pleased to report that there were no significant gaps in relation to retention. In response to a question from the Corporation, Sally stated that Crawley College had a more diverse group of learners in respect to BME backgrounds and this would impact the data from Crawley. There would be a focus on gaps at the termly progress meetings which reviewed data at learner level. The trends shown by the Group were in line with national data.
105. With regard to the achievement of apprentices, this was based on the mid-point and best case scenario, for Chichester it was 67.3 per cent, for Brinsbury it was 60 per cent, for Crawley 69.5 per cent and for Worthing 69 per cent. At Group level the mid-point was 65.8 per cent. There were a number of issues impacting apprentice achievement, including the pandemic. It was expected that there would be a significant drop in national achievement for apprentices.

RISK MANAGEMENT REPORT

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

Copy attached at APPENDIX 3.

107. Helen Kilpatrick CB stated that the Group's overall risk environment remained very high. The only change since the last Corporation meeting had been to the risk relating to capital projects which had been downgraded following the completion of the STEM Centre at Crawley College. Aside from this, the pandemic continued to impact all of the key risk areas. Helen stated that a number of the processes under the business continuity risk had been implemented following the flood at Crawley College over the last weekend. A further update on the incident at Crawley would be given later in the meeting. It was noted that the Audit & Risk Committee recommended the updated Risk Registers be adopted. It was

Resolved

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

REAPPOINTMENT OF CORPORATION MEMBERS

108. Catherine Vinall reminded the Corporation that the Standing Orders provided the flexibility for Governors terms of office to be extended. The Governance & Search Committee had approved a recommendation to extend the terms of office for Nick Fox and Paul Wright to the end of July 2022. It was

Resolved

- i) **That the term of office for Paul Wright be extended for one year to 31 July 2022.**
- ii) **That the term of office for Nick Fox be extended from 31 December 2021 to 31 July 2022.**

CHICHESTER COLLEGE GROUP INSTRUMENT AND ARTICLES OF GOVERNMENT

109. The Corporation received for consideration the revised Instrument and Articles of Government for Chichester College Group.

Copy attached at APPENDIX 4.

110. Catherine Vinall stated that the Corporation's Instrument & Articles of Government had been reviewed alongside the Standing Orders. The changes recommended were general updates to bring the Instrument & Articles in to line with requirements for the appointment of charity trustees. The detail of the

eligibility criteria for members had been moved to the Corporation's Standing Orders. It was also proposed to amend the terms of office for Staff Governors to acknowledge the size of the staff group across the Group. It was

Resolved

That Chichester College Group's Instrument & Articles of Government, as set out at APPENDIX 4, be adopted, subject to a change in the term of office for Staff Governors to a be a maximum of four years.

CHICHESTER COLLEGE GROUP CORPORATION STANDING ORDERS

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

Copy attached at APPENDIX 5.

112. Catherine Vinall reported that a full review of the Standing Orders had taken place to bring them up to date with regulatory guidance and best practice. As previously discussed, detail on the eligibility criteria for members had been moved from the Instrument and Articles to the Standing Orders, this included requirements from the HE regulator, the Office for Students. The section on the termination of membership included the ability to suspend a Governor. The vacancy section had been updated to reference diversity and the mix of skills and experience in the membership of the Corporation. There was a new section on indemnity and insurance which confirmed arrangements which were already in place. The amended Standing Orders had been recommended for adoption by the Governance & Search Committee.

Resolved

That the Corporation's Standing Orders, as set out at APPENDIX 5, be adopted, subject to the amendment outlined above to the term of office for Staff Governors.

CRAWLEY COLLEGE MASTER PLAN

113. The Corporation received for consideration the master plan for Crawley College.

Copy attached at APPENDIX 6.

114. Julie Kapsalis reminded the Corporation that in securing planning permission for the new STEM Centre at Crawley College, the Group had committed to an agreement to develop a detailed master plan for the Crawley campus. This had been supported by Crawley One Public Estate group. While updated, the plan

for the site did not fundamentally change the area of the site the Corporation had previously agreed would be for disposal.

115. In response to a question from the Corporation, Julie confirmed that any re-development at Crawley would be phased, so that provision could continue to operate during development work. In response to a further question, Julie stated that although the updated plans represented a slight reduction in the overall space, student number growth was accommodated, including in apprenticeships. A lot of space on the existing site was not being fully utilised. The new plans allowed for a more efficient set up of classrooms and workshops. It was

Resolved

That Crawley College Masterplan, as set out at **APPENDIX 6**, be approved.

CORPORATION CALENDAR OF MEETINGS 2022

116. The proposed dates for Corporation meetings in 2022 were approved as follows:

Wednesday, 6 April 2022;
Wednesday, 6 July 2022;
Wednesday, 7 December 2022.

MANAGEMENT ACCOUNTS TO 28 FEBRUARY 2021

117. The Corporation received the Management Accounts for the period to 28 February 2021 which included the Mid-Year Update for 2020/21.

Copy attached at **APPENDIX 7**.

118. Steve Coulthard stated that the accounts to the end of February included the Group's mid-year forecast, the third forecast for the year. Overall, the position at the end of month seven was approximately £53,000 ahead of the budgeted position. Commercial income was £1.9m down on budget, this was largely in fees and other income. Pay and non-pay mitigations were holding, although it was forecast that there would be a further deterioration over the next five months. Looking at specific areas, central services had held during the lockdown, in part this was due to savings against some contracts. Commercial areas continued to be significantly impacted by Covid. Although International and Accommodation were doing well, a deterioration was predicted over the last months of the year. Anglia continued to be impacted by the global pandemic. Steve was pleased to report that Apprenticeships were doing well, it was hoped that the area would over-achieve the forecast position. Steve summarised the

position in relation to the EBITDA, which had been further impacted by the most recent lockdown. For 2021/22 it was hoped this would recover to almost £1m.

119. Key challenges to the financial position continued to be the speed at which commercial, particularly International, would be able to recover from the impact of the pandemic. The Group continued to struggle with Adult Skills delivery and would not achieve the tolerance set by Government for 2020/21. In response to a question from the Corporation, Steve confirmed that the curriculum planning and budget process was well underway for 2021/22, it would be a difficult process given the scale of financial disruption over the last year. In response to a question on Adult Skills, Helen Loftus said considerable activity was taking place to deliver as much Adult Skills as possible, this included a marketing campaign for employers and providing VRQs through distance learning. In the event that the Group did not achieve the 90 per cent tolerance it was likely that there would be a clawback.

MAZARS LLP INTERNAL AUDIT REPORT

120. The Corporation received for information the Internal Audit report for Subcontracting.

Copies attached at APPENDIX 8.

121. Helen Kilpatrick CB stated that one area had been reviewed since the last meeting of the Corporation. The review of subcontracting followed guidance produced by the ESFA, as such the audit team did not provide an opinion on assurance. Two housekeeping recommendations had been identified which related to the Group's Partnership Policy and external credit checks. In addition, previous recommendations had been reviewed, two of which had been completed and two had been carried forward. Helen confirmed that, in line with the Group's strategy, subcontracted provision continued to reduce and contracts were on run-out.

FE COMMISSIONER'S LETTER FEBRUARY 2021

122. The Committee received for information the FE Commissioner's Letter dated February 2021.

Copy attached at APPENDIX 9.

123. The Corporation noted that the FE Commissioner's letter set out key changes to the Commissioner's financial benchmarks. The current benchmark on borrowing as a percentage of turnover would be changed to debt service cover ratio. The change had been noted by the Finance & General Purposes Committee who felt

that debt service cover ratio was a more useful measure. However, the Group's current cash position would mean that Chichester College Group's financial health would be rated as inadequate. Shelagh Legrave confirmed that, in usual circumstances, this would mean that the Group could be subject to intervention, but there was a mitigation in place which allowed colleges to re-assess in extenuating circumstances, such as the pandemic. In response to a question from the Corporation, Shelagh stated that, the Group's ability to attract capital funding should not be impacted by the financial assessment, provided the ESFA agreed with the Group's assessment.

SUMMARY OF COMMITTEE BUSINESS

124. The Corporation received and noted a summary of the business which had been undertaken by the Committees and Boards during the spring term 2020/21.

Copy attached at APPENDIX 10.

125. 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. A number of Governors had attended the Student Committee meeting in March as Guest Governors and commented on the exceptional work of the Student Union over the last term.

DATES OF FUTURE MEETINGS

126. It was noted that the next meeting of the Corporation would take place on Wednesday, 7 July 2021. The date for the next Corporation Development/Strategy Event was Tuesday, 18 May 2021.

ANY OTHER BUSINESS

Crawley College Pipework Incident and Flood

127. Shelagh Legrave stated that over the previous weekend a burst water pipe had caused a flood in one of the plant rooms at Crawley College. The flood had caused major damage impacting electricity, heating and hot water to a large part of the campus. As a result the main campus was currently closed, teaching and learning was being delivered online. IT systems were now operational and an action plan was in place to restore electricity to enable students to return to the campus after the Easter break. A fix for the heating and hot water systems would be a longer term piece of work.

CONFIDENTIAL BUSINESS

128. 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.