

PRESENT

| | | |
|---------------------|-------------------------------|------------|
| Mr Andrew Baird | Independent Member | Chair |
| Mrs Liz Rushton | Independent Member | Vice Chair |
| Mrs Jayne Dickinson | Principal and Chief Executive | |
| Mr Simon Bland | Independent Member | |
| Mr Ray Elgy | Independent Member | |
| Ms Rosemary French | Independent Member | |
| Dr Andrew Gilchrist | Independent Member | |
| Mr Phillip Kerle | Independent Member | |
| Mr Colin Monk | Independent Member | |
| Ms Kirsty Penfold | Academic Staff Member | |
| Mr Ron Searle | Independent Member | |

IN ATTENDANCE

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| Mrs Jyoti Baker | Vice Principal: Finance and Resources |
| Mr Kevin Standish | Deputy Principal: Curriculum and Standards |
| Mr Patrick Waller | External Co-opted Member of the Audit Committee |

APOLOGIES FOR ABSENCE

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|--------------------|----------------------|
| Mr Charlie Martin | Support Staff Member |
| Mr Bob Pickles | Independent Member |
| Mrs Isobel Wallace | Independent Member |
| Mr Kieran O'Neill | Student Member |
| Ms Lucy Jackson | Student Member |

CLERK

| | |
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| Mrs Sue Glover | Clerk to the Corporation |
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C.47.17 DECLARATION OF INTERESTS

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

C.48.17 APOLOGIES FOR ABSENCE

Apologies for absence were received from

| | |
|--------------------|------------------------|
| Mr Charlie Martin | - personal commitments |
| Mr Bob Pickles | - business commitments |
| Mrs Isobel Wallace | - business commitments |
| Mr Kieran O'Neill | - personal commitments |
| Ms Lucy Jackson | - personal commitments |

AGREED

The Board accepts the apologies for absence.

**Mr Bland
Mr Searle
Left the meeting**

C.49.17 MEMBERSHIP OF THE CORPORATION

The Clerk to the Corporation presented a report which identified issues relating to the membership of the Corporation Board and its committees for consideration.

Appointment of Mr Simon Bland, independent member

Members were advised that, at the meeting of the Search and Governance Committee held on 19 October 2017, Mr Simon Bland was interviewed for the position of independent member.

The Search and Governance Committee gave full consideration to Mr Bland's application and recommends to the Board that he is appointed as an independent member for a four-year term until 31 December 2021.

Extension of Mr Ron Searle's current term

Members were advised that Mr Searle's current term ends on 30 April 2018. At the meeting of the Search and Governance Committee held on 19 October 2017, consideration was given to extending Mr Searle's current term to end on 31 July 2018 to enable continuity to the end of the academic year and to alleviate any difficulty in a replacement Head Teacher taking up the vacant independent member post mid-year.

The Board unanimously agreed both appointments.

Mr Searle

Mr Bland

Re-joined the meeting

The Chair congratulated Mr Bland on his appointment and thanked Mr Searle for agreeing to serve to the end of the academic year.

Membership of Committees of the Corporation

The Clerk to the Corporation presented the current committee structure and advised that this will be updated in the light of the new member.

Gender Balance

Members noted the current gender balance of the Corporation Board

- 9 male; 6 female plus 1 male External Co-opted Member of the Audit Committee
- 3 male chairs of the Board and committees; 2 female chairs of the committees

RESOLVED

The Corporation Board unanimously approves

- The appointment of Mr Simon Bland as an independent member for a four-year period of office from 14 December 2017 to 31 December 2021
- The extension of Mr Ron Searle's current term from 30 April to 31 July 2018

C.50.17 NOTIFICATION OF ANY OTHER BUSINESS

Members agreed that there was no other business for consideration.

C.51.17 UNCONFIRMED MINUTES OF THE MEETING OF THE CORPORATION BOARD HELD ON 6 JULY 2017

The minutes were approved and signed as a correct record, subject to minor amendment.

C.52.17 MATTERS ARISING AND ACTION POINTS FROM THE MINUTES OF THE MEETING HELD ON 6 JULY 2017

Members agreed that there were no matters arising from the minutes of the meeting and noted the satisfactory completion or progress of the Action Points arising from the meeting.

Minute no. C.58.16 from the meeting held on 8 December 2016 - Members received an update on the Insolvency Legislation issued by the Association of Colleges, which had been presented to the Finance and Resources Committee on 21 September 2017, noting that

- The Technical and Further Education Act 2017 will introduce a custom made insolvency regime covering FE and sixth form colleges
- The government's plan is to put the new law into effect in the second half of 2019

Members will be kept updated as and when further information becomes available.

C.53.17 ENDORSEMENT OF CHAIR'S ACTION FOR THE APPROVAL OF THE QUALITY ASSESSMENT RETURN TO HEFCE

The Clerk to the Corporation presented details of Chair's Action taken for the approval of the Quality Assessment Return to HEFCE.

Members were advised that at the meeting of the Learning and Quality Committee held on 9 November 2017 a report and accompanying action plan was presented relating to the continuous improvement of the HE student academic experience, HE student outcomes and the standards of the HE awards for which the College is responsible. The date for submission of the return was 1 December 2017, which is before the governing body meets and, therefore, it was agreed by the Learning and Quality Committee that the Principal and Chief Executive as Accounting Officer would sign the return on behalf of the governing body and this would be endorsed by the Corporation at the meeting on 14 December 2017.

Members were advised that the report and action plan were reviewed and approved by the Learning and Quality Committee to enable sign-off of full assurance to HEFCE.

RESOLVED

The Corporation Board endorses the recommendation of the Learning and Quality Committee and approves the Quality Assessment Return to HEFCE signed on behalf of the governing body by the Principal and Chief Executive.

C.54.17 EAST SURREY COLLEGE SELF-ASSESSMENT REPORT: 2016/17

The Principal and Chief Executive gave an update on the complaint which had been submitted to Ofsted following the short inspection in October 2017.

A discussion has taken place with Ofsted who advise they are currently investigating the issues raised relating to the areas of the complaint. An officer has been assigned to investigate the complaint and has advised that following a phone conversation with the Principal and Chief Executive, a further discussion will be taking place with the lead inspector.

The College is to expect an outcome by 9 January 2018. Ofsted have been advised that a recommendation is being made to the Board to self-assess the College as Outstanding as there is now further evidence to support this grade. The Principal has indicated that the College would be interested in being a pilot college under the next Ofsted Inspection Framework.

It was agreed that the Principal will keep the Board advised.

The Principal and Chief Executive presented, for consideration and approval, the draft East Surrey College Self-Assessment Report (SAR).

The Board was advised that the draft Strengths and Areas for Improvement contained in the College SAR are presented for consideration and comments following review by the Learning and Quality Committee at the meeting held on 7 December 2017.

Members were advised that

- the SAR process is informed by a wide variety of information, including
 - achievement data and trends (final data return submitted post-Ofsted inspection)
 - course reviews
 - destination data
 - observation profiles
 - student, employer and stakeholder feedback
 - Quality and Performance Reviews, Service Level Agreements
 - External Centre Risk Assessments by awarding bodies
 - External verifier/examiner reports
 - Internal and external reviews and moderations
- all curriculum areas complete a SAR, which is moderated and which informs the whole College SAR
- the College has undertaken extensive work to date to ensure rigour in its self-assessment reporting

Members gave detailed consideration to the key strengths and areas for improvement in each of the sections, noting the agreement by the Learning and Quality Committee with the proposed recommended grade for each section:

- Section A – Outstanding (Leadership and Management)
- Section B – Outstanding (Quality of Teaching, Learning and Assessment)
- Section C – Outstanding (Personal Development)
- Section D – Outstanding (Outcomes for Learners)
- Section E - Outstanding (16-19 Study Programmes)
- Section F – Outstanding (Adult Learning Programmes)
- Section G – Outstanding (Apprenticeships)
- Section I – Outstanding (Provision for Learners with High Needs)

Members were advised that

- significant, sustainable improvement has continued to be made since the last full Ofsted inspection in December 2014, when the College was graded Good with a series of Outstanding grades
- the recent short Ofsted inspection was limited necessarily by time constraints to consideration of a few lines of enquiry and based predominantly on data and self-assessment from 2015/16 and taking place prior to the R014 data return, resulting with the judgement that the College continues to be good and safeguarding remaining effective
- following a demanding schedule of performance reviews, benchmarking and moderation, the College has concluded there is sufficient evidence against the current Ofsted inspection framework criteria to judge that it tips into Outstanding for Overall Effectiveness
- the Learning and Quality Committee had given a great deal of consideration to the grading of Section B, Teaching, Learning and Assessment, and concluded that it tipped into outstanding
- the Learning and Quality Committee have recommended that a sub-group is formed during January with authority delegated to approve the final version of the College SAR and grading for 2016/17

In discussion, members agreed there is sufficient evidence to award Outstanding grades for each of the sections and for Overall Effectiveness and that a sub-group, made up of members of the Learning and Quality Committee, is again formed to approve the final version of the College SAR.

Members noted the key impact measures arising from the report.

RESOLVED

The Corporation Board approves

- the draft sections and proposed recommended grades of the College SAR 2016/17, noting that the content will be finalised by the sub-group
- the formation of a sub-group, with authority delegated to approve the final version of the College SAR and grading for 2016/17 so that this can be submitted to Ofsted by the end of January 2018

C.55.17

STUDENT PERFORMANCE TARGETS 2017/18

The Deputy Principal: Curriculum and Standards presented, for consideration and approval, the Student Performance Targets for 2017/18.

Members were advised that the Student Performance Targets for 2017/18 had been considered at the meeting of the Learning and Quality Committee meeting held on 9 November 2017.

Members were advised that

- Clearly set and widely communicated academic targets have a proven track record of contributing to quality improvement
- Achievement rate targets for classroom-based activities had been set by subject sector area (SSA) for all ages for 2016/17, based on the latest available national rates (NR) for each SSA +3%
- The latest national rates have been used to set a NR +3% target for 2017/18, which will be updated later in the year
- Targets are set for Apprenticeship frameworks at the national rate plus 4%
- Although comparison with national rates is important, continuing upward trends and the importance of students making progress against their own personal target is vital in order to prepare them for a sustained, positive future

Members considered in detail the targets proposed in respect of qualification type and by sector subject areas.

Members noted that it is proposed that the targets for attendance, at 90%, and punctuality, at 95%, should remain unchanged.

Members noted the key impact measures arising from the report.

RESOLVED

The Corporation endorses the recommendation of the Learning and Quality Committee and approves the Student Performance Targets for 2017/18.

C.58.17 ANNUAL SAFEGUARDING AND PREVENT REPORT: 2016/17

The Deputy Principal: Curriculum and Standards, presented for consideration and approval the Annual Safeguarding Report 2016/17.

Members were advised that the Annual Safeguarding and Prevent Report had been considered at the meeting of the Learning and Quality Committee held on 9 November 2017 and had been commended for approval by the Corporation Board.

The Board was informed that

- The annual safeguarding report reviews the work undertaken in relation to Safeguarding including Prevent throughout the year
- The report provides assurance to the Board that the College is compliant with its responsibilities in relation to Safeguarding including Prevent and that appropriate actions are being taken in relation to safeguarding students, staff and visitors to the College

Members reviewed the detail of the report, noting that

- There was an increase in safeguarding or student support incidents being reported over the previous year. It was accepted that this was due not only to more students experiencing issues, but also to the better attention given to the recording of incidents and more staff available to support students following the expansion of the safeguarding team
- The recent Ofsted inspection had judged that the College's safeguarding procedures remain effective
- The safeguarding team undertook a number of self-assessment activities during the year, which included
 - Update of Prevent Action Plan, ensuring compliance with statutory duties and continually raising awareness among staff and students of the dangers of radicalisation and extremism
 - Update of Prevent Risk Assessment
 - Audit of statutory safeguarding duties in relation to Keeping Children Safe in Education 2016
 - Overhaul of safeguarding records
- There are measures in place for the Corporation Board in relation to its responsibilities for Safeguarding including Prevent

Members also reviewed the KPI dashboard which highlighted the number of student suspensions for 2015/16, 2016/17 and the year 2017/18 to date.

Members noted the impact measures arising from the report.

RESOLVED

The Corporation Board endorses the recommendation of the Learning and Quality Committee and approves the Annual Safeguarding and Prevent Report: 2016/17.

C.59.17 ANNUAL INTERNAL AUDIT REPORT: 2016/17

The Vice Principal: Finance and Resources presented, for consideration and approval, the Annual Internal Audit Report: 2016/17.

Members were advised that the Annual Internal Audit Report had been considered at the meeting of the Audit Committee held on 30 November 2017 and had been commended for approval by the Corporation Board.

Members reviewed key sections of the Annual Report, in particular

- Section 1 covering the Annual Internal Audit Opinion
- Section 2 covering the Basis of the Internal Audit Opinion
- Section 3 covering the performance of Internal Auditor

Members also discussed issues arising from

- Appendix B: a summary of Internal Audit Work Completed 2016/17

Members noted that it was the opinion of the Head of Internal Audit for the 12 months ended 31 July 2017 that

'The organisation has an adequate and effective framework for risk management, governance and internal control'.

The factors and findings which have formed the opinion of the Head of Internal Audit were also noted:

Governance – *our review of Risk Management and Governance resulted in a substantial assurance opinion and did not identify any management actions relating to Governance.*

Risk Management – *our review of Risk Management resulted in a substantial assurance opinion and did not identify any management actions relating to risk management'.*

Our opinion is also based upon the overall framework of risk management as observed at meetings of the College's Audit Committee.

Control – *in 2016/17 we completed five other assurance reviews and one advisory review, five of which have been finalised. These reviews resulted in two 'substantial' 'assurance' opinions. The two follow up exercises we undertook both concluded the College had made good progress with implementing actions.*

Members were advised that there are no significant issues arising from the report.

Members noted the key impact measures arising from the report.

RESOLVED

The Corporation Board endorses the recommendation of the Audit Committee and approves the Annual Internal Audit Report: 2016/17.

C.60.17

AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 JULY 2017

The Vice Principal: Finance and Resources presented, for consideration and approval, the Audit Committee Report: Year Ended 31 July 2017, which has been prepared by the external auditor, UHY Hacker Young.

Members were advised that the Audit Committee Report had been considered at the meeting of the Audit Committee held on 30 November 2017 and had been commended for approval by the Corporation Board.

The attention of members was drawn to the detail of the Report considered by the Audit Committee, in particular

- Audit scope, roles and responsibilities
- Audit independence
- Conduct of the audit
- The risks of error in your financial statements
- Regularity opinion
- Deficiencies in control and recommendations
- Summary, adjustments and audit report
- Going Concern

Members were advised that there are no significant issues raised.

RESOLVED

The Corporation Board endorses the recommendation of the Audit Committee and approves the Audit Committee Report prepared by the external auditor, UHY Hacker Young, for the year ended 31 July 2017.

C.61.17

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

The Vice Principal: Finance and Resources presented, for consideration and approval, the draft Annual Report and Financial Statements for the Year Ended 31 July 2017.

Members were advised that the Annual Report and Financial Statements had been considered at the meeting of the Audit Committee held on 30 November 2017 and had been commended for approval by the Corporation Board.

Members noted that the Financial Statements had been reviewed at the meeting of the Finance and Resources Committee held on 23 November 2017 but that formal consideration and approval of the Financial Statements would be the responsibility of the Board.

The attention of members was drawn to the detail of the Annual Report considered by the Audit Committee.

Members gave detailed consideration to

- Report of the Governing Body
- Statement of Corporate Governance and Internal Control
- Governing Body's Statement on the College's Regularity, Propriety and Compliance with Funding Body Terms and Conditions of Funding
- Statement of Responsibilities of the Members of the Corporation
- Independent Auditor's Report to the Corporation of East Surrey College
- Reporting Accountant's Assurance Report on Regularity

Members were advised that

- The College is reporting a total comprehensive income of £552k (2016: £1,065)
- The College has received a clear financial statements and regularity audit report
- The audit has been undertaken by UHY Hacker Young

Members noted the key points

- Key management personnel and professional advisors are referred to at the start of the report
- The Trustees report is now referred to as the Report of the Governing Body

Members noted that it was the opinion of the Financial Statements Auditor that

'.....the financial statements

- *Give a true and fair view of the state of the College's affairs as at 31 July 2017 and of the College's surplus of income over expenditure for the year then ended;*
- *Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;*
- *Have been prepared in accordance with the SORP 2015 Statement of Recommended Practice – Accounting for Further and Higher Education and the College Accounts Direction 2016 to 2017'.*

Members also noted the conclusion given by the Regularity Auditor that

'in the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2016 to 31 July 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.'

RESOLVED

The Corporation Board endorses the recommendation of the Audit Committee and approves

- The Statement of Accounting Policies
- The Report and Financial Statements for the year ended 31 July 2017

C.62.17

REGULARITY AUDIT SELF ASSESSMENT

The Vice Principal: Finance and Resources presented, for consideration and approval, the College's Regularity Audit Self Assessment.

Members were advised that the Self Assessment for Regularity Audit had been considered at the meeting of the Audit Committee held on 30 November 2017 and had been commended for approval by the Corporation Board.

The Board was advised that Self Assessment formed the basis of the separate external audit and regularity audit opinion.

Members were informed that

- the Self Assessment confirms the actions the College undertakes regularly to verify that its expenditure is appropriate and in accordance with relevant rules and guidance
- the Self Assessment has been reviewed by the external auditor as part of their year-end audit function
- the Principal and Chief Executive and Chair of the Corporation are required to sign the Regularity Audit Self-Assessment for 2016/17 on behalf of the College

Members noted the key impact measures arising from the report.

RESOLVED

The Corporation Board endorses the recommendation of the Audit Committee and approves the Regularity Audit Self Assessment: Year Ended 31 July 2017.

C.63.17

LETTER OF REPRESENTATION: FINANCIAL STATEMENTS AUDIT 2016/17

The Vice Principal: Finance and Resources presented, for consideration and approval, the Letter of Representation: Financial Statements Audit – Year Ended 31 July 2017.

Members were advised that, at the meeting of the Audit Committee held on 30 November 2017, detailed consideration had been given to the Letter of Representation in conjunction with the Financial Statements Auditor.

Members considered the detail of the Letter with particular reference to

- Financial Statements
- Regularity

RESOLVED

The Corporation Board endorses the recommendation of the Audit Committee and approves the Letter of Representation: Financial Statements Audit – Year Ended 31 July 2017.

C.64.17

ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE CORPORATION BOARD AND TO THE PRINCIPAL AND CHIEF EXECUTIVE: 2016/17

The Chair of the Audit Committee presented the Annual Report of the Audit Committee on the work of the Audit Committee during 2016/17.

Members were advised that the Annual Report of the Audit Committee had been considered at the meeting of the Audit Committee held on 30 November 2017 and had been commended for approval by the Corporation Board.

Members were advised that the Audit Committee is required to provide an annual report to the Board and to the Principal and Chief Executive, which outlines the work undertaken by the Committee and how the Committee has fulfilled its responsibilities as set out in its Terms of Reference and Standing Orders.

Members considered the detail of the Annual Report and, in particular, noted the Conclusion of the Annual Report:

'It is the opinion of the Audit Committee that the reports of the internal and external auditors demonstrate the progress that continues to be made throughout the College.

On the basis of the reports of the internal and external auditors, the responses of senior management to the issues raised by the auditors and discussions held by the Audit Committee with senior management and the auditors, the Audit Committee is satisfied that the College has an adequate and effective system of internal control and its arrangements for risk management, control and governance processes during 2016/17. The Committee is satisfied that these have been applied by the College in relation to its requirement to make effective and efficient use of its resources, to monitor its solvency and to safeguard its assets. In our view these reports provide significant assurance regarding the efficient and effective achievement of College objectives.'

The Board noted the key impact measures arising from the report.

RESOLVED

The Corporation Board accepts and approves the Annual Report of the Audit Committee to the Corporation Board and to the Principal and Chief Executive of East Surrey College: 2016/17.

C.65.17

ADDITIONAL BANKING ARRANGEMENTS/TREASURY MANAGEMENT POLICY

The Vice Principal: Finance and Resources presented, for consideration and approval, the College's Treasury Policy.

Members were advised that the Treasury Policy had been considered at the meeting of the Finance and Resources Committee held on 21 September 2017 and had been commended for approval by the Corporation Board.

Members were advised

- That the Treasury Policy has been updated in line with the principles laid down in the CIPFA Treasury Management guidance
- Of the widening of the definition of the banks that can be included on the College's approved list. This is necessary as the current bankers, NatWest, are rated BBB+/F2 (Good) by Fitch, which is not in compliance with the original requirement of F1 for the short term and of A for the longer term

The Board reviewed the Treasury Policy, agreeing the further relevant changes to widen the definition of the banks.

A report detailing the potential to invest the College's surplus cash to earn a better return, both through the utilisation of fixed cash investment and by investing with banks that offer more competitive rates on those deposits than the College's current banking partner, NatWest, was presented for consideration.

Members were reminded that at the last meeting the Board had asked that the Finance and Resources Committee gave further consideration to this item before being presented again to the Board as there was concern over the risk of investment in Challenger Banks (Aldermore).

The report had been considered by the Finance and Resources Committee at the meeting held on 21 September 2017 who fully discussed the risks and rewards of investment in various institutions due to the substantial cash balances held by the College earning interest at 0.1%.

The Committee had concluded that the College could earn higher returns by adopting a prudent strategy of investing in other High Street banks offering higher returns. However, it was agreed that, although Aldermore offer a better return, the College should remain cautious and an account is opened with Lloyds Bank to leverage surplus cash in order to return more investment income. The performance of the account will be reported regularly through the Management Accounts.

RESOLVED

The Corporation Board endorses the recommendation of the Finance and Resources Committee and approves

- That an account is opened with Lloyds Bank to leverage surplus cash
- The Treasury Policy, as amended

C.66.17

SUBSIDIARY COMPANY – SURREY SKILLS LIMITED (SSL)

MEETING OF SURREY SKILLS LIMITED HELD ON 30 NOVEMBER 2017

Members received the unconfirmed minutes of the meeting. It was noted that Ms Rosemary French had agreed to act as Chair for a period of 2 years from the date of the meeting.

ARTICLES OF ASSOCIATION

The Vice Principal: Finance and Resources presented, for consideration and approval, the Articles of Association for the College Subsidiary Company, Surrey Skills Limited.

Members were advised that the Articles of Association had been considered at the meeting of the Finance and Resources Committee held on 23 November 2017 and at the meeting of Surrey Skills Limited held on 30 November 2017 and had been commended for approval by the Corporation Board.

The Board was advised that

- The Articles of Association have been reviewed by the College Lawyers
- SSL is a wholly owned subsidiary of East Surrey College
- Article 15.2 prohibits from appointment as Directors, the Principal of the College, Chair of the Corporation and Chairs of the operational Committees to ensure there is independent objective challenge
- All profits generated by the Company are transferred to the Parent (College)
- The nature of the business of SSL as identified in its Companies House Listing is
 - 85590 – other education not elsewhere classified
 - 85600 – educational support services

MEMORANDUM OF UNDERSTANDING

The Vice Principal: Finance and Resources presented, for consideration and approval, the Memorandum of Understanding (MOU) between SSL and the College.

Members were advised that the Finance and Resources Committee at the meeting held on 23 November 2017 had agreed that a MOU should be put in place to formalise an agreement between the College and SSL. The MOU had been considered by SSL at the meeting held on 30 November 2017 and had been commended for approval by the Corporation Board.

Members reviewed the wording of the document and, in response to questions, were advised that

- Once the company commences trading future meetings could potentially become shareholder meetings
- SSL plans to deliver various full cost programmes – one of the first potential programmes could be the Welding Courses once the new workshop has been completed
- The commencement of trading has been noted in the Risk Register

Members noted the key impact measures arising from the report, in particular the Risk implications.

RESOLVED

The Corporation Board endorses the recommendation of the Finance and Resources Committee and SSL and approves

- The Articles of Association of SSL
- The Memorandum of Understanding between the College and SSL

C.67.17 ANNUAL PAY RECOMMENDATIONS: 2017/18

DECLARATION OF INTEREST

Kirsty Penfold
Jayne Dickinson

The Principal and Chief Executive presented a report, which updated members on the Association of Colleges' (AoC) pay recommendation for 2017/18 and which made recommendations for consideration by the Board.

Members were advised that the report on the Annual Pay Recommendations had been considered at the meeting of the Finance and Resources Committee held on 23 November 2017.

Members were advised that

- The AoC has completed its annual negotiations through the National Joint Forum, which includes canvassing the views of its member colleges through an annual pay survey in which 100 Colleges participated and with the unions representing college staff nationally
- UNISON and UCU are recognised trade unions at East Surrey College
- The elements of the joint pay claim for 2017/18 called for by the joint trade unions recognised via the National Joint Forum (NJF) called for
 - Cost of living claim:
 - RP1, as 1 August 2017, plus 3% on all pay points with a minimum uplift of £900, this also aims to reduce the CEO/Principal: staff pay ratio
 - Foundation Living Wage to be the minimum wage and FE Colleges to become accredited foundation living wage employers

- Workload:
 - An increase in proportion of contracted hours for preparation
 - A minimum CPD entitlement for all staff of 30 hours
- Class size:
 - A nationally agreed policy that specifies appropriate maximum class sizes be primarily and fundamentally based on educational considerations and not overridden by financial ones
- Agency staff:
 - A nationally agreed policy that specifies agency staff should only be used for emergency cover in respect of all staffing groups
- Non-lecturer curriculum delivery staff
 - Nationally agreed guidelines for Colleges on non-lecturer curriculum delivery staff, including job descriptions, salary scales, work load guidelines, working hours and development routes
- The AoC informed the unions that it would be making a 1% recommendation on all salaries or £250 where this is more beneficial (typically for salaries under the Foundation Living Wage and staff at the lower end of the pay scale). When an award is made and affordable, Colleges should implement with effect from 1 August 2017
- The Board has previously sought to follow AoC recommendations in order to ensure a competitive salary to attract and retain good staff

Members were advised that the Vice Principal Finance and Resources had been asked to model the following for governors' consideration:

- No pay rise = £0
- Implement AoC pay proposals as follows:
 - 1% pay increase for all salaries (established and sessional) or £250 where this is more beneficial = £107,000
 - 1.5% increase applied to all salaries (established and sessional) or £250 where this is more beneficial = £144,000
 - Implement the previously budgeted pay increase of 2% on all salaries (established and sessional) or £250 where this is more beneficial = £193,000

In response to questions, members were advised that

- The College benchmarks salaries annually against other colleges and staff do receive incremental rises as appropriate
- The College pays more than the minimum wage and all staff receive more than the 'living wage'
- In considering the AoC recommendation, the College takes into account its student recruitment position confirmed after the RO6 data return which impacts on the budgeted position

In discussion, members agreed that the College should recognise the tremendous commitment made by staff, particularly in the light of the success of the recent Ofsted inspection, and that a 1.5% increase is affordable by the College at this time and should be given to all staff for 2017/18.

RESOLVED

The Corporation Board endorses the recommendation of the Finance and Resources Committee and approves the implementation of a 1.5% increase to all staff effective from 1 August 2017

C.68.17 SEARCH AND GOVERNANCE COMMITTEE

MEETING OF THE SEARCH AND GOVERNANCE COMMITTEE HELD ON 19 OCTOBER 2017

Members received the unconfirmed minutes of the meeting.

REPORT OF THE CHAIR OF THE SEARCH AND GOVERNANCE COMMITTEE AND ISSUES FOR CONSIDERATION AND APPROVAL

The Chair of the Search and Governance Committee reported on the key issues considered at the meeting, not otherwise considered at this meeting of the Corporation Board, for formal consideration and approval:

- Risk Management: Autumn Term 2017
- Governors' Development and Training Programme 2017/18
- Code of Good Governance for English Colleges: Audit of Compliance
- Annual Report of the Search and Governance Committee: 2016/17
- Skills Audit, Training Needs Assessment and Diversity Audit
- Annual Review of the Restricted Minutes of the Meetings of the Search and Governance Committee

C.69.17 LEARNING AND QUALITY COMMITTEE

MEETING OF THE LEARNING AND QUALITY COMMITTEE HELD ON 9 NOVEMBER 2017

Members received the minutes of the meeting.

MEETING OF THE LEARNING AND QUALITY COMMITTEE HELD ON 7 DECEMBER 2017

Members received the unconfirmed minutes of the meeting.

REPORT OF THE CHAIR OF THE LEARNING AND QUALITY COMMITTEE AND ISSUES FOR CONSIDERATION AND APPROVAL

The Chair of the Learning and Quality Committee reported on the key issues considered at the meetings, not otherwise considered at this meeting of the Corporation Board, for formal consideration and approval:

- Risk Management: Autumn Term 2017
- Review of College Policies
 - ESC 06 Student Disciplinary Policy
 - ESC 08 Client Feedback Policy
 - ESC 62 Child Protection, Safeguarding Children and Vulnerable Adults Policy
- Annual Report of the Learning and Quality Committee: 2016/17
- Annual Review of the Restricted Minutes of the Learning and Quality Committee
- College Quality Improvement Plan 2016/17 'sign off'
- College Quality Improvement Plan 2017/18: Autumn Term 2017
- Governors' Quality Improvement Plan 2016/17 'sign off'
- Governors' Quality Improvement Plan 2017/18: Autumn Term 2017

C.70.17 FINANCE AND RESOURCES COMMITTEE

MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 21 SEPTEMBER 2017

Members received the minutes of the meeting.

MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 23 NOVEMBER 2017

Members received the unconfirmed minutes of the meeting.

REPORT OF THE CHAIR OF THE FINANCE AND RESOURCES COMMITTEE AND ISSUES FOR CONSIDERATION AND APPROVAL

The Chair of the Finance and Resources Committee reported on the key issues considered at the meetings, not otherwise considered at this meeting of the Corporation Board, for formal consideration and approval:

- College Policies and Strategies
 - ESC 49 Business Continuity Plan and IT Disaster Recovery Plan
 - ESC 60 Health and Safety Policy
 - ESC 48 Refunds Policy
 - ESC 31 Wellbeing Policy and Procedure
 - ESC 25 HR Strategy
 - ESC 45 Fees Policy
 - ESC 13 Financial Support for Students Policy
 - ESC 01 Financial Regulations
- Risk Management: Autumn Term 2017
- Financial Plan 2017-2019 Letter and financial performance dashboard from ESFA
- Annual Report of the Finance and Resources Committee: 2016/17

C.71.17

AUDIT COMMITTEE

MEETING OF THE AUDIT COMMITTEE HELD ON 30 NOVEMBER 2017

Members received the unconfirmed minutes of the meeting.

REPORT OF THE CHAIR OF THE AUDIT COMMITTEE AND ISSUES FOR CONSIDERATION AND APPROVAL

The Chair of the Audit Committee reported on the key issues considered at the meeting, not otherwise considered at this meeting of the Corporation Board, for formal consideration and approval:

- Review of Outstanding Audit Items
- Annual Risk Management Report 2016/17
- Risk Management: Autumn Term 2017
- Annual Review of the Restricted Minutes of the Meetings of the Audit Committee
- ESC 15 Freedom of Information Act 2000 Policy and Publication Scheme
- Value for Money Report

RESOLVED

The Corporation Board

- notes the reports of the Chair of each of the committees of the Board
- endorses the approval by each committee of the key issues considered and approved at the meetings
- endorses and approves the reports submitted by each committee for consideration and approval

C.72.17

REPORT OF THE PRINCIPAL AND CHIEF EXECUTIVE

The Corporation received the Report of the Principal and Chief Executive noting issues not covered elsewhere in the agenda, including:

- The FE Landscape
- 2017/18 Recruitment
- Parent/guardian events
- 2018/19 Applications and interviews
- Quality – 2016/17 Final Outturn
- Performance Reviews
- Apprenticeships/employer update
- Skills Academies
- FE Choices survey results
- Entrepreneur Academy
- Higher Education
- Finance and Funding
- Institutes of Technology

The Principal also presented for consideration a letter received by all College Principals and Chief Executives from the Chief Executive and Accounting Officer of ESFA. The Board noted that

- the letter refers to issues commonly encountered in colleges in difficulties
- summarises the stance that should be taken to ensure effective controls are in place
- in addition to data quality, these are summarised under the headings
 - governance and financial oversight
 - forecasting
 - management accounts and KPIs
 - financial records
 - internal controls
 - cash management
 - bank covenants
 - commercial activities

In discussion, the Board agreed that these key controls are routinely taken into account by the College.

AGREED

The Corporation Board receives and notes

- the Report of the Principal and Chief Executive
- the letter from the Chief Executive and Accounting Officer of ESFA

C.73.17

ANNUAL REVIEW OF THE BUSINESS OF THE CORPORATION BOARD

The Clerk to the Corporation presented a report, which provided a review of the Action Points arising from the open meetings of the Board during 2016/17.

Members were reminded that, following each meeting of the Board, a list of Action Points arising from the meeting is drawn-up and, at the next meeting, the list is reviewed in order to ensure that the appropriate action has been or is being taken.

Members were advised that the purpose of the report was to ensure that appropriate progress has been made against each of the identified actions required by the Board.

Members agreed that all Action Points had been fully addressed to the satisfaction of the Board.

AGREED

The Corporation Board receives and notes the report.

C.74.17

KPI DASHBOARD

Members received the KPI Dashboards for

- Finance: Period 3 to October 2017
- Curriculum and Quality for
 - Classroom based – November 2017
 - EDIMs – November 2017
 - Apprenticeships – October 2017

Members reviewed the KPI Dashboard for Finance, which included Actual against Budget and Actual against the same period for the previous year for

- Tuition Fees
- Employer Engagement Income
- Additional Contract Income
- Staff FTEs
- Staff costs as percentage of total income
- Staff costs as a percentage of total income excluding subcontract
- Cash balance at month end
- Supplier invoice payment days

Members reviewed the Curriculum and Quality dashboards for Classroom-based, EDIMs and Apprenticeships for

- Achievement by age and level
- Retention by age and level
- Retention by age and ethnicity
- Retention by age and gender
- Retention by month
- Retention – High Needs
- Full and part time attendance
- Achievement by SSA

AGREED

The Board receives and notes the KPI Dashboards for Finance: Period 3 to October 2017, Curriculum and Quality, classroom-based and EDIMs – November 2017 and Apprenticeships – October 2017

C.75.17 ANY OTHER BUSINESS
There was no other business.

C.76.17 DATES OF CORPORATION BOARD MEETINGS: 2017/18
Thursday 25 January 2018 – Strategic Planning
Thursday 22 March 2018 – main Board
Saturday 23 June 2018 – Self Assessment
Tuesday 2 July 2018 – College Annual General Meeting
Thursday 12 July 2018 – main Board

All weekday meetings commence at 18.00

At the conclusion of the Part 1 meeting, the Corporation Board moved into a meeting restricted, in accordance with the requirements of the Instrument and Articles of Government and with Section 22 of the Freedom of Information Act 2000, to the members of the Board and to the senior postholders.



SIGNED AS A CORRECT RECORD:

DATE: 22 March 2018