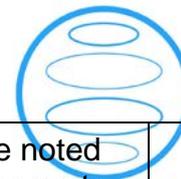


# CORPORATION MEETING

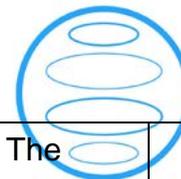
## DRAFT MINUTES

Date	2 February 2018	Time	09.00 meeting
Venue	Station Plaza Boardroom		
Chair	Tony Campbell OBE KSG FRSA		
<p><b>Membership:</b> Tony Campbell OBE KSG FRSA (Chair); Pat Farmer (Vice Chair); Principal (Clive Cooke); Staff (Support) Governor (Debbie Baldock-Apps); Staff (Teaching) Governor (Karen Cunnington); Dr Diana Garnham; Simon Hubbard; Graham How; Vic Kempner; Caroline McKiddie; Student President (Lucy Head); Derek Stevens; Sue Walton</p> <p><b>In attendance:</b> VP Corporate Services (Biram Desai); VP Enterprise, Employment and Skills (Dan Shelley); VP Curriculum and Quality (Jim Sharpe)</p>			
<p><b>Apologies:</b> Karen Cunnington; VP EES (Dan Shelley); Student President (Lucy Head)</p>			

	Item	Action
1.	<p><b>Apologies</b> Received from Karen Cunnington; VP EES (Dan Shelley); Student President (Lucy Head)</p>	
2.	<p><b>Declarations of Interest</b> Sue Walton declared an interest as an employee at Pestalozzi. Simon Hubbard declared an interest as an employee of Hastings Borough Council. Caroline McKiddie declared an interest as an employee of East Sussex County Council. Pat Farmer declared an interest as a member of the Hastings and Rother Task Force.</p>	
3.	<p><b>Chair's Introduction</b> The Chair thanked governors for participating as panel members for the senior post holder interviews.</p>	
4.	<p><b>Minutes of the last meeting</b> <b>RESOLVED:</b> The Corporation considered and approved the draft minutes of the meeting held on 7 December 2017 subject to an amendment on page 5 to read "He (PF) concluded that not confirming the appointment of HB would risk the TU suspending or delaying the approval of the £12m funding application as it would imply the two colleges were at loggerheads" <b>Proposed:</b> PF; <b>Seconded:</b> SH; <b>CARRIED</b></p>	
5.	<p><b>Matters arising on the minutes</b> The Corporation considered the action list and items were reported as completed or in progress. Key points raised included:</p> <ul style="list-style-type: none"> <li>The VP C&amp;Q reported that there is not an official data set for national rates cross college for students receiving free school meals (FSM). Ofsted want to see how students compare against their peers within institutions rather than nationally</li> <li>The CEO Designate agreed to check whether the gender pay gap for the</li> </ul>	CEO



	<p>College had been reported externally. The Director of Governance noted that SDC have recently produced their date and these results will come to the next F&amp;HR Committee for information</p> <ul style="list-style-type: none"> <li>There was a discussion about the double casting vote written in the Chair Designate's job description. The Director of Governance noted that this is being raised at the Governance Committee on Wednesday. It was noted that it is the wording of the delegation that is misleading as the Chair would usually have the casting vote on a tied vote. There was a discussion about conflicts of interest for the Chair and governors and it was agreed that this needed to be emphasised strongly in the standing orders to ensure it was abided by.</li> </ul>	<p>VK/DG  Dir of Gov</p>
<p>6.</p>	<p><b>Notice of merger matters</b> The Chair presented the item and asked for comments on the recommendations.</p> <p>The CEO Designate noted that 6.1 is the prelude to the later item under confidential items on the six SPH recommendations. Three of the candidates are external and are awaiting formal offers from the College to resign from their current posts. He noted that the merger cannot be guaranteed but once the candidates are appointed they will be employed by the College and if the merger falls down there will be cost implications from this. The Vice Chair noted the importance of the Corporation's intent to merge at this stage of the process.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li><b>the Corporation hereby gives NOTICE of its intent to merge with Sussex Downs and accept the transfer of Sussex Downs' property rights and liabilities in accordance with section 27B of the Further and Higher Education Act with effect from [tbc but expected to be] 00:01 on 29 March 2018. Proposed: TC; Seconded: PF; CARRIED</b> [KC voted for the resolution electronically. GH voted against the resolution]</li> <li><b>Members give NOTICE of their intent to resign from the Sussex Coast College Corporation with effect from [tbc but expected to be] 00:00 on 28 March 2018 if they are not going forward to the 'new' College Board Proposed: PF; Seconded: TC; CARRIED</b></li> </ol> <p>The Corporation noted that on the 20 January Sussex Downs College posted its NOTICE that it intends to make a resolution to dissolve and immediately prior to dissolution transfer its property, right and liabilities to Sussex Coast College Hastings.</p>	
<p>7.</p>	<p><b>Merger project items</b></p> <ol style="list-style-type: none"> <li><b>Transition Board (TB) minutes from the 14 December 2017 and 11 January 2018</b></li> </ol> <p>The Corporation noted that full copies of the Transition Board papers are available on OneNote.</p> <p>The Chair noted than an audit of the TB by RSM Tenon is in progress. DS reported that he had met with the internal auditor alongside HB and they seemed impressed with the processes in place. The Director of Governance has met with the auditors and provided a lot of background information. DG reported that she had also spoken with the internal auditors and they were very comfortable with the processes in place but were exploring more about the meeting themselves and whether members felt they were impactful. DS noted that he and HB had spoken</p>	



to the internal auditors about the huge amount of challenge at meetings. The auditors were impressed with the IWG meetings in place.

Governors voiced concern about whether SDC staff are aware of the state of the College's finances. The CEO Designate reported that the Principal of SDC has now written to his staff and in his email identifies clearly the £2.9m deficit last year and the fact that the College will face financial constraints in year. SDC road shows have taken place this week led by the CEO Designate and there is a road show next week for SCCH staff. The message to SDC staff from the road show is that the College has posted a deficit and costs are currently higher than income, which was the compromise message that was reached with the Principal of SDC. SDC staff are clearer about what is happening since the roadshows. The Corporation asked whether the unions are aware of the situation. The CEO Designate reported that the unions have read the email and have asked if there will be redundancies.

The Corporation asked what has happened at SDC in terms of cost reduction. The VP CS said that a start has been made in terms of non-pay costs, government procurement cards have been pulled back, non-pay budgets have been pulled back in line with income and the College is speeding up rolling out the SCCH accounting system to SDC and as many good practices as possible will be in place by 1 April.

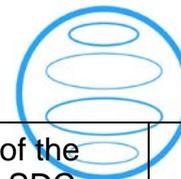
The CEO Designate reported that savings are being made by the VP CS and Anna Fitch at SDC. Those savings are real and are making a difference.

SH reported that given that the principles of merger are taken and the structure of the boards is already going forward. The SCCH Corporation will not be able to affect or influence post-merger. In some areas governors can't predict the outcomes and TUPE can have its challenges. There is a limit to how much can be done at this time and SCCH governors need to make their wishes clear. Assurances asked for can and should be addressed. The CEO Designate reported that there are two layers to the cost saving problems.

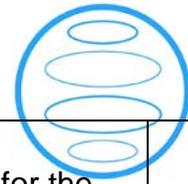
CMc reported that she had real concerns about the reputational risks around merger and how the discussions today had shown that the wishes of the Corporation had not been taking forward leading to real concerns around the merger for College staff. It was noted that the new Board and leadership will be taking on these issues. The CEO Designate reiterated that some more savings could be made at SDC but some of the savings could not be identified because they have insufficient processes in place. The Corporation noted that there needs to be public recognition that SDC didn't act fast enough to address financial issues.

SH noted that the pressure for merger is driven by other things such as the sustainability of the organisation, East Sussex's drive for a new College and the need to improve education and training for the young people in the area. This Corporation can express its views but more importantly needs to build and show commitment to the new management structure and the new board members to act in an impartial and structured way. Governors can only forward their concerns to this new Group and move forward with the merger. It was agreed that the Corporation has expressed its views very strongly and has to impress on the CEO Designate to take the concerns on board and move it forward.

The Corporation asked that the recruitment process for the new Board ensures



	<p>that the balance of the board is fair and that they have an understanding of the history and expectations of this Corporation. The Corporation asked that SDC publically explain their financial situation honestly and openly. The Chair and CEO Designate agreed to take this forward with the Chair Designate to help the process going forward.</p> <p>(10.08 Chair departs) The Vice Chair explained that the TB meeting on the 14 December had proposed the following: THAT THE TB WILL RECOMMEND TO RESPECTIVE BOARDS THAT TONY CAMPBELL IS MADE VICE CHAIR OF THE 'NEW' ESCG BOARD FOR A PERIOD OF TWO YEARS. <b>RESOLVED: The Corporation approved the recommendation from the TB on the 14 December for Tony Campbell to become Vice Chair of the new ESCG Board for a period of two years. Proposed: PF; Seconded: CMc; CARRIED</b> (Chair returns 10.09)</p>	CEO
8.	<p><b>Update on the position of the Transaction Unit (TU) bid</b> The VP CS reported that draft terms have been received from the TU. Eversheds have been appointed to advise and negotiate on the terms and are working with the VP CS and David Smith. The process is going well. PF noted that the deadline for negotiations had been 29 January. The VP CS reported that this was a soft deadline. The TU would like to see the documents in place a month before the merger date. PF noted that a further meeting with HB and the finance leads for the project would be useful and the VP CS agreed to arrange.</p>	VP CS
9.	<p><b>Update on the consultation on name change for the East Sussex College Group Corporation</b> The Director of Governance reported that the consultation is progressing well with a closing date of 8 February. 5 responses have been received to date, including 2 from the emergency services. The Vice Chair noted that he was surprised there were no responses from Bexhill College or Plumpton College. Following the end of the consultation the Corporation will be asked to approve the name change and note the consultation responses. The Department are awaiting the application and are confident that the name change process can be completed within a month and can be implemented for merger day.</p>	
10.	<p><b>AOB</b> The Corporation considered the Right Choice enrolment information that the VP EES had circulated yesterday. PF noted that 137 students leaving the College during the 6 week Right Choice period appear high. The VP C&amp;Q reported that it is above the AoC national rate but College retention is 4% above the national average.</p> <p>The Chair reported that he would like to see the numbers going from schools to Bexhill. It was agreed that this would be important going forward for the ESCG. CMc agreed to look into.</p> <p>DG asked if there was anything in the numbers that was a surprise or an anxiety for the SLT. The VP C&amp;Q noted that there is a variance and the SLT are looking at the data robustly with marketing and curriculum planning. There are some worries around some of the service industry side of the curriculum and the College is looking at invigorating the offer and making it attractive to the students.</p>	CMc



	<p><b>Meeting dates</b></p> <p><b>February date TBC</b> (Approval for the terms of the TU deal and approval for the appointment of bank and legal support arrangements that relate to the TU deal and to the on-going requirements of the new college. Approval of membership to the 'new' College Board)</p> <p><b>TBC (28 March 10.00-12.00)</b> (resolution to merge with Sussex Downs and accepts the transfer of Sussex Downs' property rights and liabilities). This meeting will be followed by lunch in Coast. This date is subject to change due to the completion process with the TU and the bank in terms of exchanging signed copies of various legal documents and condition precedents (CPs).</p>	
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Staff depart for the Confidential C part of the meeting

**Meeting closed at: 10.53**