

**HILLS ROAD SIXTH FORM COLLEGE
Corporation**

Minutes of the Meeting held on Wednesday 16 December 2015

Present:

Corporation Members Peter Southwick (Chair), Peter Brindle, Edmund Brookes, Uvini Edirisinghe, Ian Harvey, Anna Moore, Edna Murphy, Johnnie Sam, David Secher, Linda Sinclair (Principal), Julie Taylor, Frankie Williams.

Clerk to the Corporation Robert Smith.

Observers Jill Aberdour (Assistant Principal: Resources), Dave Jones (Assistant Principal: Planning and Quality), Jo Trump (Deputy Principal), Francesco Dernie (student observer).

1 Apologies for Absence and Quoracy

The Clerk to the Corporation reported that apologies for absence had been received from the following members of the Corporation: Jonathan Culpin, Dinesh Jacob.

The meeting was quorate.

2 Declarations of Interest

No declarations of interest were made in relation to the business to be transacted.

3 Minutes of the Previous Meeting: 2 December 2015

The minutes were approved as a correct record of the business transacted, and *prima facie* evidence of the proceedings to which they relate.

4 Matters Arising from the Minutes

None.

5 Principal's Report

The report - including information on 16-19 student enrolment, open evenings, adult education enrolment, access and higher education courses, reflections on the Comprehensive Spending Review (CSR), meeting with the Local Enterprise Partnership (LEP), pay negotiations, the alumni network, the College diary and a range of other College activities - was received.

In relation to student enrolment it was noted that, following the implementation of the amended Cambridgeshire Area Partnership (CAP) admissions process, 70% of students enrolled had come from CAP schools, a further 16% from within the in-area and the remaining 14% from outside it.

In relation to the CSR it was noted that:

- the 16-19 funding rate will be protected in cash terms until May 2020 – dependent on the inflation assumption used, this may equate to an 8% cut over the period;
- there will be a £160 million cash cut from the 16-19 budget, about half of which could be accounted for under the phasing-out of formula protection;
- it is likely that sixth form colleges will have to qualify to become academies rather than have an automatic right to convert, the route being through the Area-Based Review (ABR) process with an application to convert needing to be supported by the ABR Steering Group; *and*
- judging by the comments of Principals at recent SFCA conferences, it is possible that many or most sixth form colleges will be interested in converting to academies or in other mergers - in a few years' time there might only be a few sixth form colleges remaining, raising questions about the sustainability of the sector as it is currently known and of the remaining sixth form colleges.

In relation to the meeting with the LEP, it was noted that their priorities include:

- a key focus on the work of General Further Education (GFE) colleges and a recognition that sixth form colleges serve a very different purpose from GFE colleges with the majority of students leaving the area to go to university; a situation which the LEP is not seeking to change;
- a wish for schools' sixth form data to be part of the ABR;
- a recognition that the Greater Cambridge/Greater Peterborough Enterprise Partnership area is not at risk from financially failing colleges and that local colleges are in a relatively strong position; *and*
- a willingness to meet with the sixth form colleges annually.

It was also noted that the Hills Road Alumni Network had been officially launched in September with database software enabling it to be managed 'in house'.

6 Report by Vice Chair of the Audit Committee

It was reported that the Committee had achieved a 100% attendance at both meetings convened in the Autumn term . The change in the way in which risk registers are considered had resulted in a strong proactive engagement by members with a view to improving the level of Corporation assurance in this regard.

Laragh Jeanroy was thanked for her continuing independent chairing of the Committee.

7 Annual Report of the Internal Auditor

A report prepared by Icca Education Training and Skills and previously considered by the Audit Committee at the meeting held on 10 November 2015 (Minute 5) was received and approved.

8 Financial Statements Audit: Draft Financial Management Letter-Audit Findings Report to 31 July 2015

The above draft letter and report, prepared by MacIntyre Hudson and previously considered by the Audit Committee at the meeting held on 10 November 2015 (Minute 6) was received and approved.

9 Financial Statements Auditor Letters of Engagement

The letters of engagement in relation to the audit of the financial statements and regularity audit of the College and its subsidiary undertaking (year ending 31st July 2015), prepared by MacIntyre Hudson and previously received by the Audit Committee at the meeting held on 10 November 2015 (Minute 11), was received and approved for signature by the Chair of the Corporation.

10 Financial Statements Auditor Letter of Representation

The letter of representation in relation to the audit of the financial statements and regularity audit of the College and its subsidiary undertaking (year ending 31st July 2015), prepared by MacIntyre Hudson and previously received by the Audit Committee at the meeting held on 10 November 2015 (Minute 10), was received and approved for signature by the Chair of the Corporation.

11 Audit Committee Annual Report

The report, prepared by the Clerk to the Corporation, previously received by the Audit Committee at the meeting held on 10 November 2010 (Minute 14) and subsequently signed by the Chair of the Audit Committee, was received.

12 Regularity Self-Assessment Report

A report prepared by the Director of Business and Finance, previously considered by the Audit Committee at the meeting held on 10 November 2015 (Minute 15) was received and approved for signature by the Chair of the Corporation and the Principal.

13 College Draft Report and Financial Statements for the year ended 31 July 2015

The Report and Financial Statements were received and considered. It was noted that:

- in relation to the Income and Expenditure Account:

- funding body grants had been reduced following the loss of Skills Funding Agency support;
- investment income had risen as the result of an accounting adjustment concerning the treatment of the Local Government Pension Scheme liability;
- staff costs had risen principally because of an accounting adjustment concerning the treatment of the Local Government Pension Scheme liability;
- other operating expenses had been reduced as a result of a decision to concentrate long-term maintenance expenditure in the 2013-14 financial year;
- the accelerated depreciation of the Stable Block, consequent on its demolition, had been treated as an exceptional item; *and*
- although a deficit on continuing operations after depreciation of assets at valuation had been incurred, when the accelerated depreciation and the changes in the pension scheme liability are taken into account the College's financial performance had been broadly consonant with the previous year.
- in relation to the Balance Sheet:
 - tangible assets include a valuation for Accommodation Strategy Phase V works under construction; *and*
 - deferred capital grants had risen as a result of the Building Condition Improvement Fund grant received in relation to these works.
- in relation to the Cash Flow Statement net funds had risen over the course of the year though the cash increase had been only a fraction of that achieved in 2013-14 owing to changes in net funds resulting from financing arrangements.

It was observed that the enhancement of the estate out of cash reserves had been undertaken to improve student experience and provide for potential College expansion despite what might otherwise be considered a challenging financial environment.

The College Financial Statements were approved.

14 Cantabrigian Limited Draft Report and Financial Statements for the year ended 31 July 2015

The Report and Financial Statements were received and considered. It was noted that the subsidiary undertaking had performed on budget. The accounts will be signed by the Directors of the Company.

15 Group (College and Cantabrigian Limited) Draft Report and Financial Statements for the year ended 31 July 2015

The Annual Report and Financial Statements for the College and the trading subsidiary, previously considered by the Audit Committee at the meeting held on 10 November 2015 (see draft Minutes 7 and 8), were received and approved for signature by the Chair of the Corporation.

16 Current Year Financial Report as at Period 3

The management accounting report prepared by the Director of Business and Finance was received and considered. It was noted that the College is performing on budget in all crucial respects and that no changes to the projected outturn for the year are anticipated at this stage.

17 Phase V Update

A paper prepared by the Estates Bursar was received for information.

18 Link Scheme for Members of the Corporation: Annual Report

A paper prepared by the Clerk to the Corporation was received for information. The Clerk to the Corporation stated his intention to bring the Scheme as an agendum for consideration at the June meeting of the Corporation.

19 Any Other Competent Business

None.

21 Dates and Times of Future Meetings

Wednesday 10 February 2016 at 6.30pm
Wednesday 23 March 2016 at 6.30pm
Wednesday 8 June 2016 at 6.30pm
Monday 18 July 2016 at 6.30pm