



MEETING OF THE HSDC CORPORATION
14th DECEMBER 2022
ROOM 119A/B, SOUTH DOWNS CAMPUS
AND REMOTE ACCESS VIA MICROSOFT TEAMS

M I N U T E S

Present:

Matt Atkinson
 Xin Austin
 Mike Bateman
 Stella Charman (*Associate Governor, in attendance*)
 Simon Claridge
 Zach Cooksey (Student Governor) - remote
 Clive Dobbin (Chair)
 Lucy Flannery
 Mike Gaston (Principal)
 Lydia Morrison – remote
 Mark Nicolson
 Kamlesh Pandya
 Karolina Simonova (Student Governor)
 Michael Thornton - remote
 Tony Wright

In attendance:

Dominic Asater – DP Finance & Facilities - remote
 Richard Barlow – DP Curriculum
 Leona Berry – VP OD&P
 Mark Munro – Bishop Fleming, External Audit Service
 Jackie Eayrs – Clerk to the Corporation

Total Membership 18
Total vacancies 0
Total possible attendance 18
Quorum: 8
Total Present: 13 - meeting quorate
 (78% attendance, no vacancies)

*It was noted that items on the agenda preceded by * would be taken as read and not discussed at the meeting unless a member wished to raise a point under a starred item.*

Minute Number	Minute	Action
HSDC CORP 54/22	Apologies for Absence & Welcome: All members were welcomed to the meeting. Apologies for absence were received and accepted from Summer Adams-Madgwick, Grant Gallacher, Lorna Hayes, Romy Jones, Elspeth Mackeggie Gurney and Suki Dhesi.	
HSDC CORP 55/22	Declarations of Interest - No member declared any conflict of interest with any item on the Agenda which had not previously been declared.	
HSDC CORP 56/22	Minutes and Matters Arising from Previous Meetings: (i) Minutes of the special meeting of the HSDC Corporation held on 28th September 2022 - The Minutes of the special meeting of the HSDC Corporation held on the 28 th September 2022 were agreed as a true and accurate record and were signed by the Chair. (ii) Matters arising from the special meeting of the HSDC Corporation held on the 28th September 2022 – Members noted that the majority of items had been completed but 3 items were considered ‘ongoing’ and related to: - Review of Student Parliament and wider student voice framework – It was noted that the Student Voice Working Group had met on the 19 th October 2022 and actions had been agreed. A follow-up meeting would be convened in the New Year.	Action: Clerk

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	<ul style="list-style-type: none"> - Event to recognise Ian Gibson's contribution – It was noted that recognition of Ian's contribution to the Board was subject to discussions with Ian including the best time for that to take place. Members acknowledged that this was ongoing, and an event would be planned once Ian was well enough to attend. - Attendance at Student Parliament Meeting – The Chair and Vice-Chair had both attended the Student Parliament meeting held on the 11th November 2022 at the Alton campus which had been very good. - Review of Timetabling – A full review of timetabling would take place due to rooming issues at the South Downs campus. Members noted that this was ongoing and would be reported through the Estates Strategy Group. <p>(iii) Confidential minutes of the special meeting of the HSDC Corporation held on the 28th September 2022 – The confidential minutes of the special meeting of the HSDC Corporation held on the 28th September 2022 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them.</p> <p>(iv) Strictly Confidential minutes of the special meeting of the HSDC Corporation held on the 28th September 2022 – The strictly confidential minutes of the special meeting of the HSDC Corporation held on the 28th September 2022 were agreed as a true and accurate record and were signed by the Chair. It was noted that all matters arising had been completed.</p>	Action: Vice-Chair
HSDC CORP 57/22	<p>Correspondence:</p> <p>(i) Letter from ESFA dated 25th October 2022: HSDC Financial Forecasting Return 2022 to 2024 - Members of the Board received and noted a letter from the ESFA which, following submission of the CFFR for 2021/2022 to 2023/2024, confirmed the financial health grade for the College as:</p> <ul style="list-style-type: none"> - Good for 21/22 (the latest out-turn forecast year); and - Good for 22/23 (the current budget year). <p>The Principal reminded members that this information was based on an historic document which reflected where the College thought it would be in terms of its plan rather than the actual position. The letter had been presented to the F&E Committee and the Audit Committee. He highlighted the fact that the latest out-turn position for 21/22 had changed to 'Requires Improvement' due to the outcomes of the Harpur Trust vs Brazel judgement. Further information would be provided when the Board considered the item related to the Financial Statements later in the meeting.</p> <p>Members of the Board noted the contents of the letter.</p>	
HSDC CORP 58/22	<p>Chief Executive Reporting – Principal's Update:</p> <p>Members of the Board had received the Principal's Termly report which provided an update on key College developments, issues, initiatives and external influences. The Principal spoke to the report and advised members that it had been a particularly challenging first term with some disquiet from the financial challenges staff face with rising inflationary pressures. He went on to say that teaching unions had called a Trade Dispute with the College over pay and workload and they were in the process of balloting their members for industrial action including strikes. In addition, there was a sense that low staff morale had been exacerbated by other issues, including staffing, rooming, student behaviour and mental health and wellbeing within the College community. He assured members that there was a focus on what could be done both immediately and in the medium-term to improve confidence and enthusiasm.</p> <p>He went on to say that, at the same time, there were numerous projects and key activities happening locally and nationally that could have a significant bearing on the strategic direction of the College over the next two to three years. These included:</p> <ul style="list-style-type: none"> - the Institute of Technology Bid (IoT); - the Strategic Development Fund (SDF) projects; 	

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	<p>- College collaboration; and</p> <p>- implementation of the College's own Estates Strategy.</p> <p>The Principal drew the following key points to members' attention:</p> <ul style="list-style-type: none"> • ONS Reclassification – Members were advised that the Office for National Statistics (ONS) had confirmed that all FE college had been reclassified as public sector institutions and, as a result, they were now part of the central government sector. The Principal highlighted the fact that this came into effect, retrospectively, from 1st April 1993 for FECs and he outlined the specific considerations relevant to HSDC in respect of: <ul style="list-style-type: none"> - the management of surpluses; - finance leases; - private sector borrowing; - existing borrowing/overdraft facility agreement; - asset disposal; - commercial insurance. <p>It was noted that transitional arrangements would be put in place over the next two years, culminating in a sector that complied with all public sector rules by Autumn 2024.</p> • Autumn Fiscal Statement – The Principal advised members that, disappointingly, there was no additional funding for Further Education and, despite the vital importance of the skills agenda, the Chancellor failed to mention colleges, even once. • Regional Projects: Joint Governors Event – Members were reminded that, following the EM3 collaboration event in November, HSDC had led its own conference on the 9th December for governors from college in the Solent region who had been involved in the Wave One of the Strategic Development Funded projects. The Principal added that attendance at the event had been good and feedback from those that had attended had been positive. • South Coast Institute of Technology (IoT) – Members were advised that the IoT had been approved and the South Coast Institute of Technology was now fully licenced by the DfE. The Principal advised members that, in respect of governance, there were two groups, the Operational Group (which was attended by the DP Curriculum) and the full Governing Body. Members noted that the Principal had put himself forward to join the Governing Body. • AoC Conference – The Principal had attended the AoC Conference in November and he provided members with a brief summary of Gillian Keegan's first speech to the FE Sector as the Education Secretary. A particular highlight for the Principal had also been seeing three members of HSDC staff, Leona Berry, Martin Hoskin and Ash Grute, involved in leading break-out sessions at this event. He added that this was good for HSDC and he extended his thanks to them. • Good News – The Principal highlighted a number of positive events and successes. <p>Members raised the following points:</p> <ul style="list-style-type: none"> • Following ONS reclassification, would the legal status of Governors change. Members were advised that FE colleges had retained their exempt charitable status and, therefore, charity law and governance still applied. In addition, the solvency regime still applied but it was uncertain if the Government would pick up the liabilities. • English and Maths – Members acknowledged the issues that had been experienced with rooming issues for English and Maths. The Principal confirmed that he had made it very clear that English and Maths must be timetabled first at the wishes of those staff delivering it. • Solent Collaboration Event – Members that had attended the event stated that it was clear how well HSDC was considered by other practitioners, particularly Ashley Grute. The College was recognised as a sector leader in T Levels. Other members concurred that the College was held in high regard. In addition, it was 	

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	<p>clear from discussion at the collaborative event that there was a different momentum above moving forward beyond just talking about it. There seemed to be more of a desire to do something. Members agreed it had been good to have the opportunity to talk and exchange ideas.</p> <p>Members of the Board reviewed and noted the contents of the Principal's Autumn Term Report.</p>	
HSDC CORP 59/22	<p>Chief Executive Reporting: Progress Review of Strategic Measures:</p> <p>Members of the Board received the first progress update of the academic year for the 2022/2023 Strategic measures. The Principal highlighted the fact that the measures had been presented to each of the Corporation Committees that had responsibility to monitor and review progress.</p> <p>In particular, he drew members' attention to the measures which had been rag-rated 'red' (little or no progress) as follows:</p> <ul style="list-style-type: none"> • Time to Recruit – It was noted that Blue Octopus had been implemented and would track this data moving forward. Once available this would be reported to the HR Committee. • English and Maths attendance – Actions were in place to improve attendance which had been impacted by rooming issues. Members questioned whether the College was chasing the wrong solution and rather than it being about rooming, the quality of teaching was the biggest factor of success for English and Maths. It was suggested that the corresponding data around quality of English and Maths lessons should be connected to the strategic measure. The Principal assured members that observations of English and Maths lessons were happening and the outcome in terms of themes were being considered. It was acknowledged that there was detailed information about this in the SAR and QIP. <p>Members of the Board reviewed the key issues, challenges and risks associated with the 2022/2023 Strategic Measures and noted the current position.</p>	
HSDC CORP 60/22	<p>Risk Register – Top Eleven Risks</p> <p>Members of the Board received the Top 11 risks facing the College for consideration and review. The Principal drew members' attention to the following key risks which related to:</p> <ul style="list-style-type: none"> • Recruitment of the Director of IT Services – The Principal advised members that 3 candidates were being interviewed on Friday 16th December 2022. He added that, if the College did not appoint, a market supplement may need to be introduced. • The College fails to increase its market share of year 11 students – The Principal reported that numbers for 23/24 were slightly up compared to the same time the previous year. <p>Members reviewed and noted the contents of the paper.</p>	
HSDC CORP 61/22	<p>Termly Report of the CQL Committee:</p> <p>The Board received the Termly Report of the CQL Committee which outlined the key issues which had been considered by the Committee at the meeting held on the 21st November 2022. Lucy Flannery (LF), Vice-Chair of the Committee, had chaired the meeting in absence of Romy Jones, the Chair. She commended the SAR and QIP as crucial documents at the heart of the teaching and learning agenda which provided a lot of information in a dynamic and accessible format, which meant it was easy to see what was happening in the College.</p> <p>LF drew members' attention to the following key issues:</p>	

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	<ul style="list-style-type: none"> • Results – After two years of CAGs and TAGs, the College was striving to return to pre-covid outcomes achieved in 2018/2019. In addition, there was a focus on improving high grades. • English and Maths – It was acknowledged that the College had not got off to the best start this year. However, Governors recognised that these were very demoralised and demotivated students and if there had been an easy solution, the College would have found it by now. Lucy went on to say that she very much looked forward to hearing how the visits to other colleges had gone at the spring term meeting. • WEX for A Levels – Members acknowledged that many employers were not completely back to ‘normal’ following covid and there was still a lot of hybrid working which had impacted on work experience opportunities. • Lesson Visits – Members were advised that a new lesson visit scheme had been launched and progress was being closely monitored by the CQL Committee. Lucy emphasised the fact that this was the heart of the path to outstanding and it was the route to identifying pockets of less than optimum teaching and providing support where required. • Annual E&D Report 21/22 – The Annual E&D Report was recommended by the CQL Committee. Lucy Flannery highlighted the fact that the College had a good grasp on all its protected groupings. The gap between FSM and Non-FSM had reduced from 7% down to 5% which was good but further work was required to reduce this further. • Annual Safeguarding Report 21/22 – The Annual Safeguarding Report was recommended for approval by the CQL Committee. Lucy highlighted the main challenge as the sheer volume of issues. Members recognised that the College could invest endless levels of resource into this area and it wouldn’t solve the problem. The situation was being made more difficult by students now being ‘referred’ to college by external agencies. Members acknowledged that the Student Progress Team did an incredible job in the circumstances and, should the worst happen, there would be no fingers of blame pointed. • Skills Champion – It was noted that Ofsted had indicated that Boards should have a nominated lead Governor. Tony Wright had volunteered to take on this role and members of the Board were happy to approve it. <p>During discussions, the following points were raised:</p> <ul style="list-style-type: none"> (i) There was a brief discussion about validating the College’s student support arrangements by using an external agency, Optimus Education. The Principal added that this came with a hefty price tag of £3500. He also added that, when an area was put under the microscope in this way, recommendations were always identified. Governors were confident the College was doing all it could with the envelope of resource available but was seeking external validation of this. Therefore, if the absolute worst was to happen, the College could demonstrate that it had conducted an audit and could evidence that it was doing all it reasonably could to support students. The Principal expressed concern that he would not want this activity to throw a question mark over the structure currently in place or merely to validate it. (ii) The Principal referred to the new lesson visits process and confirmed that, to date, 81% of lesson visits had been completed. He went on to say that staff were inviting reviewers to observe good practice as well as when seeking developmental support. He highlighted the fact that 17% ‘wow’ factors were in place (50 lessons) and he remained confident that the right progress would be made regarding teaching and learning in this way. (iii) There was a query on the overall achievement rate in the SAR (p16) which had been quoted as 80% and 83.6%. It was agreed that this would be clarified by the VP SLQ. <p>Members of the Board undertook the following:</p> <ul style="list-style-type: none"> (i) Reviewed and noted the contents of the termly report. (ii) Formally approved the Equity and Inclusion Policy. 	<p>Action: VP SLQ</p>

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	<p>(iii) Formally approved the Admissions Policy.</p> <p>(iv) Formally approved the Self-Assessment Report 2021/2022 and the Quality Improvement Plan 2022/2023.</p> <p>(v) Formally approved the Annual Equality & Diversity Report 2021/2022.</p> <p>(vi) Formally approved the Annual Safeguarding Report 2021/2022.</p> <p>(vii) Formally approved Tony Wright as the Board Champion for Skills.</p>	
HSDC CORP 62/22	<p>Termly Report of the Student Committee</p> <p>Members of the Board received the Termly Report of the Student Committee which informed Governors of the work being undertaken by each Campus Based Student Union (CBSU) and the Student Parliament and the progress which had been achieved since the last report in May 2022.</p> <p>The Chair of the Committee, Stella Charman (SCh) drew the following key points to members' attention:</p> <ul style="list-style-type: none"> • Review of the Student Union Constitution – It was noted that the review of the Student Union Constitution and the wider student voice framework was ongoing. The SU Constitution needed to be re-written and the VP SLQ was currently preparing a student-friendly version. This would be considered by the Student Committee in due course. • The Winter Formal organised by the Havant CBSU had gone well on the 9th December 2022. It was noted that there was a lot of activity at the Alton and Havant campuses but engagement with the SU was still a challenge at South Downs, although, it was noted that elections had just been completed and a few more students had been elected. • Unloc – As a result of the challenges faced at the South Downs campus, Unloc had been commissioned to work with each CBSU and provide some training to all SU members. It was noted that this would commence in the Spring term with an 'activation week'. • SU Accounts 21/22 – Members were advised that the SU bank accounts had now been closed and 3 separate cost centres established and Jo Wilson, Finance Manager, had been supporting that process. • Accessing Funds – It was noted that the Finance Manager would prepare a step-by-step guide on the procedure to access the funds and how to seek reimbursement for items students had paid for. • Safeguarding and Wellbeing – SCh concurred with the view reported earlier in the meeting in respect of safeguarding and wellbeing. She emphasised the fact that it was a concern to the students themselves and anxious and challenged students would not learn or achieve well. • Learner Voice Report – The Learner Voice Report had highlighted an issue at the Alton campus in respect of student satisfaction which had been reported at 52%. SCh stated that some issues had been picked up at the beginning of term and very quickly remedied by the SU. She added that an effective SU could identify issues and address them before they evolved into more significant problems. • Complaints – Students had confirmed they knew how to complain and the procedure was now better understood. It was acknowledged that the complaints report provided a window into the student experience. <p>Members of the Board questioned the action that was being taken to explore the reason for the low satisfaction score of 52% at the Alton campus. The Principal explained that the student dissatisfaction was directly related to academic extension. It was originally developed to promote independent study, but students did not see the value in it. They had felt it to be patronizing and, as a result, it had been stopped and was no longer taking place. In addition, there had been a range of responses about the timetable and the College was doing a series of pulse surveys to try and better understand the low satisfaction score. The DP Curriculum added that some the issues predated the start of the year and he referred to staffing issues</p>	

Minute Number	Minute	Action
	<p>which had been experienced following a series of summer resignations. Some staffing issues had been solved quickly but some had taken longer to resolve. It seemed that the low satisfaction was a legacy of some of the challenges students had suffered the previous year along with some teething issues at the start of the new academic year.</p> <p>There was a discussion about student behaviour, how students felt about it and whether they felt safe and well looked after. It was acknowledged that the safety wardens were now in place which had helped. Members highlighted the fact that one of the themes arising from lesson visits had been around behaviour management. The Principal responded by saying that this issue had been discussed at a CLT meeting that morning. In particular, what was meant by 'behaviour', low level vandalism or emptying bins which was not expected at this level. There were issues at the South Downs campus related to a lack of respect and a lack of maturity in terms of being able to operate and work as a student. The Principal emphasised the fact that he did not want the College narrative to develop into something negative which seemed to indicate the College wasn't a safe place. There were c5000 students and the issues of behaviour were related to about 40 of them which was a small percentage of the student population. He did not think it was appropriate to introduce 'detentions' as this was a school policy and the College was a very different place. He concluded by saying that students were asked to leave but there was a tension associated with this.</p> <p>The Board reviewed and noted the contents of the Student Committee Report.</p>	
HSDC CORP 63/22	<p>Report of the Audit Committee:</p> <p>Members of the Board received the Report of the Audit Committee from the meeting held on the 1st December 2022. The Chair of Audit, Lydia Morrison (LM), spoke to the report and drew the following key issues to members' attention:</p> <ul style="list-style-type: none"> • Director of IT Services vacancy – LM highlighted the fact that the difficulties in recruiting to this post had been brought to the attention of the Committee and the Risk Register had been updated to reflect that. • Annual Report on Risk Management 2021/2022 – The Audit Committee had received the Annual Report on Risk Management which provided an overview of the effectiveness of HSDC's risk management framework in 2021/2022. The Chair of Audit emphasised the fact that, during the year, each Corporation Committee had received a report of the College's top risks which were their responsibility to monitor and review along with the mitigation to reduce the risks identified. It was pleasing to see that financial risks remained out of the Top Ten risks at present. The Audit Committee had agreed to recommend that the College's Risk Management arrangements continued to be adequate to enable the Corporation to discharge its duties. • Internal Audit Annual Report 2021/2022 – The Internal Audit Report 21/22 summarised the work in the previous year at HSDC, including the total number of days' work and the spread of audit opinions during the year as well as the key recommendations. The Head of Internal Audit's opinion concluded that: "TIAA is satisfied that, for the area reviewed during the year, HSDC has reasonable and effective risk management, control and governance processes in place". • Indicative Audit Strategy 2022-2025 and Annual Plan 2022/2023 – Members of the Committee received the Audit Strategy document 2022-2025 and the Annual Plan 2022/2023 for consideration. The audit strategy was developed by considering emerging themes in the sector and reviewing the risk register to identify the best areas of the College's business to direct the resource. The document had previously been considered by the Committee at the summer term meeting and a request to include a Learner Number review had been made. That element had been included and was recommended by the Audit Committee for approval by the full Corporation. 	

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	<ul style="list-style-type: none"> Annual Report of the Audit Committee to the Corporation 2021/2022 - Members of the Board received the Annual Report of the Audit Committee to the Corporation of HSDC for the Financial Year 2021/2022. The purpose of the Report was to advise the Board on the activities of the Audit Committee and the effectiveness of the whole internal control system of the College and its arrangements for risk management, control and governance during the year as required by The Audit Code of Practice. Governors noted that the report reflected the views of the Audit Committee which stated that the internal control systems operating within the College were adequate and the responses of the management in respect of Internal and External Auditors were satisfactory. It was noted that the Audit Committee had agreed to recommend the Annual Report for formal approval by the Full Corporation. <p>Members of the Corporation reviewed and noted the contents of the Audit Committee Termly Report and formally approved the following:</p> <ul style="list-style-type: none"> The Internal Audit Strategy Document 2022-2025 and the Annual Plan 2022/2023. The Annual Report of the Audit Committee 2021/2022 for onward transmission to the ESFA with the Financial Statements. 	Action: DP F&F
HSDC CORP 64/22	<p>The Audit Findings Report from Bishop Fleming: <i>(Mark Munro from Bishop Fleming, External Audit Service, joined the meeting for this item, 16.38 hrs)</i></p> <p>The Chair welcomed Mark Munro (MM), Bishop Fleming, to the meeting and invited him to present the Audit Findings Report (AFR) for the year ending 31st July 2022.</p> <p>MM stated that this had been the first year that Bishop Fleming had acted as the College's External Auditors but he was pleased to report that the process had gone very smoothly. He confirmed that Bishop Fleming had concluded their work and the AFR outlined the work completed and highlighted the significant risk areas. He drew the following to members' attention:</p> <ul style="list-style-type: none"> Management Override – MM explained what this meant and why it was deemed an area of significant risk. He confirmed that the College's day-to-day controls were robust and no material errors had been identified. Revenue Recognition – MM confirmed that there were no misstatements in respect of revenue. Accounting for capital projects and capital grant funding – MM explained that this related to the timing of capital projects and what period they had been recognised and capital grants, how they had been deferred and over what period recognised. MM confirmed that no issues had been identified during the review. Pension assumptions – MM confirmed that the assumptions used by the actuaries had been assessed for reasonableness. No material errors had been identified. Going Concern – MM advised members that this related to the College's ability to operate until December 2023. He went on to say that Bishop Fleming had reviewed the forecast and activity since 31st July 2022 and they were satisfied that there were no material uncertainties. ONS Reclassification – MM advised members that the full impact of the ONS Reclassification was not yet clear. A post balance sheet note would be included in the Financial Statements. Financial Statements – MM confirmed that Bishop Fleming were happy with the Financial Statements presented as a true and fair record. It was their intention to issue an 'Unmodified' audit opinion and an unmodified regularity assurance conclusion. There were no material uncertainties and no mis-statements. <p>The Chair thanked Mark Munro for his presentation. There were no points of clarification or questions from members and MM left the meeting.</p>	

Minute Number	Minute	Action
	Members of the Board formally endorsed the Audit Findings Report from Bishop Fleming.	
HSDC CORP 65/22	<p>Termly Report of the Finance & Estates Committee:</p> <p>Members of the Board received the Report of the F&E Committee from the meeting held on 23rd November 2022. The DP F&F (DA) presented the report in the absence of the Chair of F&E Committee. He drew the following to members' attention:</p> <ul style="list-style-type: none"> • Financial Statements – DA confirmed that the main item on the agenda at the F&E Committee meeting had been the Financial Statements 21/22. He referred members to the separate PDF Financial Statements pack which had been provided and summarised the position as follows: <ul style="list-style-type: none"> - The final out-turn position reflected the Management Accounts that had been presented during the course of the year. - Members were referred to table 182 which reflected an education EBITDA improvement of £865k. - There had been an actuarial gain in respect of pensions which had resulted in an exciting £25m surplus. - The main variances between the 21/22 Budget and final out-turn position were outlined. This had predominantly been down to additional income and an underspend on staff pay due to difficulties recruiting. However, the underspend had been offset by a final in-year adjustment to provide £216k to cover potential backdated liabilities from the Harpur Trust vs Brazel legal judgement. - There had been a net increase in cash of £616k for the first time in a number of years which was the exact opposite of the decrease in cash which had occurred in 2020/2021. • FEC Financial KPIs – DA reported that HSDC had achieved the majority of KPIs. • Going Concern – The College was considered to be a going concern. • Financial Health Score – Members were advised that the College's financial health score had moved from 'Good' to 'Requires Improvement' due to the final in-year adjustment to provide £216k to cover potential backdated liabilities from the Harper Trust vs Brazel legal judgement. • Material Uncertainty – There had been no material uncertainty and no matters of concern arising from the regularity audit. <p>The DP F&F concluded by saying that it had been a very successful audit this year and he extended thanks to the Bishop Fleming team for their work and professionalism. There had been no significant issues and no adjusted or unadjusted items. He commended the Financial Statements 2021/2022 to the Board for formal approval.</p> <p>Governors raised the following points:</p> <ul style="list-style-type: none"> • Pay Budget – Members questioned the £300k underspend in staff pay and, although financially it was a positive, whether it had caused a problem with teaching and was bad thing overall. DA responded by saying that the College did budget for 100% of its pay costs, there was no vacancy factor within it. He added that budgets could be supported in the future by building in a vacancy factor. • Variable Pay – Members questioned the controls around variable pay costs. The Principal confirmed that there were much tighter controls on variable pay. He added that it was an issue in certain areas where it was a challenge to recruit staff. • ONS Reclassification – Members sought clarity on whether the return to the public sector would bring a more measured funding model to avoid a bumpy cash flow. DA responded by saying that the sector had been striving to get a level profile of income receipts for many many years. The bumpy profile had always caused a problem for all colleges around February/March each year. He 	

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	<p>confirmed that an even profile would make the difficult months easier to manage and it was a helpful change in funding.</p> <p>Members of the Board undertook the following:</p> <ul style="list-style-type: none"> (i) Formally approved the Annual Report and Financial Statements for the year ended 31 July 2022 for HSDC. (ii) Formally approved the Audit Findings Report (AFR), Letters of Representation for the Financial Statements Audit and Regularity Assurance matters for HSDC. (iii) Formally approved the Regularity and Propriety Self-Assessment Questionnaire for HSDC. (iv) Formally approved the Student Union Accounts for the year ended 31st July 2022 for HSDC and Alton. (v) Formally approved the updated H&S Policy and the Annual H&S Report 2021/2022 as recommended by the F&E Committee. (vi) Reviewed and noted the other issues discussed, as outlined in the Termly Report. 	
HSDC CORP 66/22	<p>Management Accounts for the period ended 31st October 2022 (Period 3):</p> <p>The Board reviewed and noted the October 2022 Management Accounts. The following key points were brought to members' attention:</p> <ul style="list-style-type: none"> • The College had budgeted to deliver a £183k surplus in 22/23 (including the costs of depreciation and interest), and an EBITDA surplus of £1.984m; • At the 31st October 2022, the College was forecasting it would out-turn the 22/23 financial year with a £442k deficit and a surplus EBITDA of £1.559m. This was a reduction of £425k against its original financial plan (as a result of increased pay award, ALS pay review uplift, Harpur Trust ruling); • The Financial Health of the College was forecast to out-turn as 'Good'; • The cash balance held by the College at 31st October 2022 was £6.4m and the College estimated it would hold £3.5m at 31st July 2023 (excluding any cash receipt from the land sale at South Downs but including assumptions about capital expenditure and grant receipts); • Utility costs remained a risk in 22/23 as there was no business protection after April 2023. <p>Members of the Board reviewed the contents of the Management Accounts (period 3) and noted the current position.</p>	
HSDC CORP 67/22	<p>Report of the Estates Strategy Group</p> <p>Members of the Board received the Report of the Estates Strategy Group from the meeting held on the 5th December 2022. The Chair of the ESG, Simon Claridge (SC), spoke to the report and provided a brief summary of the discussions which had taken place at the recent ESG meeting.</p> <p>In particular, he drew members' attention to the following:</p> <ul style="list-style-type: none"> • Master Planning – Members were reminded that PMc were working with the College to develop a master plan to help guide future investment and bidding opportunities across all 3 campuses. Discussions at the meeting had focussed on the South Downs campus as there had been pressure on general purpose classrooms at the start of term and plans were currently being developed in order to avoid a repeat of that scenario at the start of 2023/2024 and going forward. • 16-19 Capacity Fund – Members were reminded that it had previously been reported that the College was exploring ways to address the capacity issue at the Havant campus by developing a bid to submit to the DfE to access funds (up to £4m per institution) from the Post-16 Capacity Fund (with no funding match from the College) for a new build at the Havant campus. A bid for £3.486m for a new 790m² building (approximately 10 GP and IT classrooms) had been 	

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	<p>submitted before the deadline on the 11th November 2022. The outcome of the bid was expected early in 2023.</p> <ul style="list-style-type: none"> • T Level Wave 4 – The DfE had confirmed that both T Level bids for the Alton and South Downs campus projects had been successful and both projects had secured 75% funding. Members were advised that discussions to reduce the College's 25% contribution down to 10% were underway and the outcome would be reported to the January 2023 ESG meeting. • T Levels Wave 5 – A bid for the next round of T Level funding was currently being developed and would be submitted in February 2023. • Institute of Technology – Members were advised that, from 11th November 2022, the South Coast IoT was a live entity. • Land Sale – Members were advised that the planning process on the PfP scheme had been and continued to be frustrating with 3 key issues related to highways, drainage and nitrates causing delays. It was not anticipated that the planning determination decision would be announced until the New Year. • Havant Hockey Club – Members were advised that discussions with HHC had stalled for a while but there had recently been further discussions between PMc and HHC and alternative options were being explored which included the potential to sell, freehold, the eastern part of the site at the Havant campus so that HHC could develop their own long-term plans. <p>Governors questioned how the IoT and T Level Wave 5 were linked. The Principal explained that some colleges had wanted to be part of the IoT and some hadn't. The IoT was about each college's strength and digital was a positive strand for HSDC. All providers needed to think about what they were building and putting in place. It was essential to ensure that what HSDC created tied into Curriculum 25, the two LEPs and the LSIP. It was also noted that the IoT specific areas around the College would need to be branded in a certain way.</p> <p>Members of the Board reviewed the contents of the report and noted the progress achieved to date in the delivery of the Estates Strategy.</p>	
HSDC CORP 68/22	<p>Termly Report of the Search & Governance Committee</p> <p>Members of the Board received the Termly Report of the Search & Governance Committee from the meeting held on the 20th October 2022. The Chair of the S&G Committee, Tony Wright, spoke to the report and drew the following to members' attention:</p> <ul style="list-style-type: none"> • There were currently no vacancies on the Board. • Co-opted members had dropped to 2 following Ian Gibson's resignation in July 2022. • 2 new co-opted members were being recommended to serve on the Audit Committee. This would complete the membership of this committee. • Two applications for re-appointment to the Board had been considered and recommended. • The Committee agreed to recommend that Stella Charman be appointed as an Associate Governor when her term of office came to an end on the 28th February 2023. • The Committee membership was considered and recommended for approval. • Board attendance during the year had been very good at 89.5% (compared to the sector average of 82.49%). Attendance across all meetings had been 86%. <p>Members of the Board:</p> <ol style="list-style-type: none"> Reviewed the contents of the report and noted the current membership position as outlined in Appendix A to the paper. Formally approved the recommendation to reappoint Tony Wright and Elspeth Mackeggie Gurney to the Board for a second four-year term of office from 1st March 2023 to 28th February 2027. 	

Minute Number	Minute	Action
	<p>(iii) Formally approved the recommendation to appoint Stella Charman to the Board as an 'Associate Governor' when her term of office as a co-opted member ended on the 28th February 2023 to serve until a vacancy arises, depending on the skills being lost at that time.</p> <p>(iv) Formally approved the recommendation to appoint both Gemma White and Keryn Landey as co-opted members to the Audit Committee to serve for a four-year term of office from 14th December 2022 to 13th December 2026.</p> <p>(v) Approved the Membership of Corporation Committees outlined in Appendix B to the paper and including the appointments outlined above.</p> <p>(vi) Formally endorsed the Governors' Training Programme for 22/23 outlined in Appendix D to the paper.</p> <p>(vii) Formally approved the updated Governance documents outlined in Appendix E to the paper.</p> <p>(viii) Members reviewed and noted the other issues considered by the Committee as outlined in the report.</p>	
HSDC CORP 69/22	<p>Annual Report of the Search & Governance Committee 2021/2022</p> <p>Members of the Board had received the Annual Report of the Search & Governance Committee 2021/2022 for consideration and review. As part of the annual review and evaluation cycle completed in June 2020, the Committee had agreed to establish an Annual Report of the Search & Governance Committee to outline the key issues considered and summarise the work of the Committee during the year to provide a formalised channel for discussion and query at Board level.</p> <p>Members of the Board reviewed and endorsed the Annual Report of the Search & Governance Committee 2021/2022.</p>	
HSDC CORP 70/22	<p>Governor Links Termly Report – Autumn 2022:</p> <p>Members were aware that all Governors had been assigned as a 'Link' to an area across all 3 campuses with a named Link Manager and an ELT Lead. The Board have continued with the structured approach to Link Area visits with arrangements being made for Governors to attend at least ONE visit per term. Prior to each visit, Governors are provided with an informal 'Feedback' form to complete which is then presented to ELT for review. In addition, the ELT had established a standing agenda item for each meeting for any impact of governance to be identified and recorded. The Clerk highlighted the importance of measuring the impact of Link Governor activity and this was an area that continued to be developed.</p> <p>Members of the Board reviewed the contents of the report and noted that there had been significant Governor activity during the Autumn Term 2022.</p>	
HSDC CORP 71/22	<p>Annual Report on the use of the College Seal:</p> <p>Members of the Board received the Annual Report on the Use of the College Seal. The Corporation had previously agreed that the Chair and the Principal should be generally authorised to authenticate the Seal of the Corporation and that the Corporation would receive an annual report detailing the occasions on which the Seal had been used, thereby, formally ratifying its use.</p> <p>Members reviewed the contents of the paper and noted the occasion when the Corporation Seal had been applied during 2021/2022 and formally ratified its use as authenticated by the Chair and the Principal.</p>	
HSDC CORP 72/22	<p>Items for Note/Information – Members of the Board received and noted the following reports for information as there were no issues for consideration at that time:</p> <ul style="list-style-type: none"> Report of the HR Committee meeting held on the 28th November 2022. 	

Minute Number	Minute	Action
HSDC CORP 73/22	<p>Report of the Remuneration Committee meeting held on the 16th November 2022</p> <p><i>Staff and Student Governors and Executive Officers left the meeting at this point.</i></p> <p>External Governors and the Principal received the Termly Report of the Remuneration Committee. Due to the strictly confidential nature of the content of the report and the related discussions, this item is recorded as a separate strictly confidential minute for Governors who are not Staff and Students only.</p>	
HSDC CORP 74/22	<p>Annual Report of the Remuneration Committee 2021/2022</p> <p>External Governors and the Principal had received the Annual Report of the Remuneration Committee 2021/2022. Members were reminded that the College had adopted the voluntary Code of Good Governance for English Colleges (The Code) in 2015 and had agreed that the key elements of the Code would be enshrined within the work of the Committees. In December 2018, the Code had been expanded to include a specific Code on the Remuneration of Senior Post Holders. The Code made reference to the publication of an Annual Report on Senior Post Holder's Remuneration and the Board had agreed to adopt this development at its meeting in July 2019.</p> <p>The purpose of the Annual Report was to provide an annual statement to the full Corporation of the Remuneration Committee's activities during the academic year, including:</p> <ul style="list-style-type: none"> (i) A list of Senior Post holders within the remit of the Remuneration Committee; (ii) The College's policy on the remuneration of Senior Post holders; (iii) Consideration of the Annual Remuneration Statement for inclusion on the College's website; (iv) The College's policy on income derived from external activities; (v) The pay multiple of the Principal/Chief Executive and the median earnings of the organisation's whole workforce, illustrating how that multiple had changed over time and to provide an explanation if it was significantly above any published average; (vi) The choice of comparator college(s)/organisation(s); (vii) An explanation of any significant changes. <p>There was a brief discussion about policies and terms of reference being adjusted to be gender neutral as recommended by Eversheds. Lucy Flannery commented that a debate needed to be had about this issue, as it tapped into a much bigger agenda, and a policy decision taken by the Board. She offered to deliver a session on this at the Governors' May Conference.</p> <p>Members of the Board reviewed and endorsed the Annual Report of the Remuneration Committee and the Annual Remuneration Statement for the 2021/2022 academic year.</p>	
HSDC CORP 75/22	<p>Urgent Business – No urgent business had been notified to the Chair.</p>	
HSDC CORP 76/22	<p>Date of next meeting – The date of the next meeting was noted as 29th March 2023 at 16.45 hrs. In addition, members were reminded of the Corporation training session scheduled for 1st February 2023 which would be followed by the Fine Dining experience at the 74South Training Restaurant directly after.</p>	

There being no other business, the meeting closed at 17.40 hrs

Signed:

Date:.....