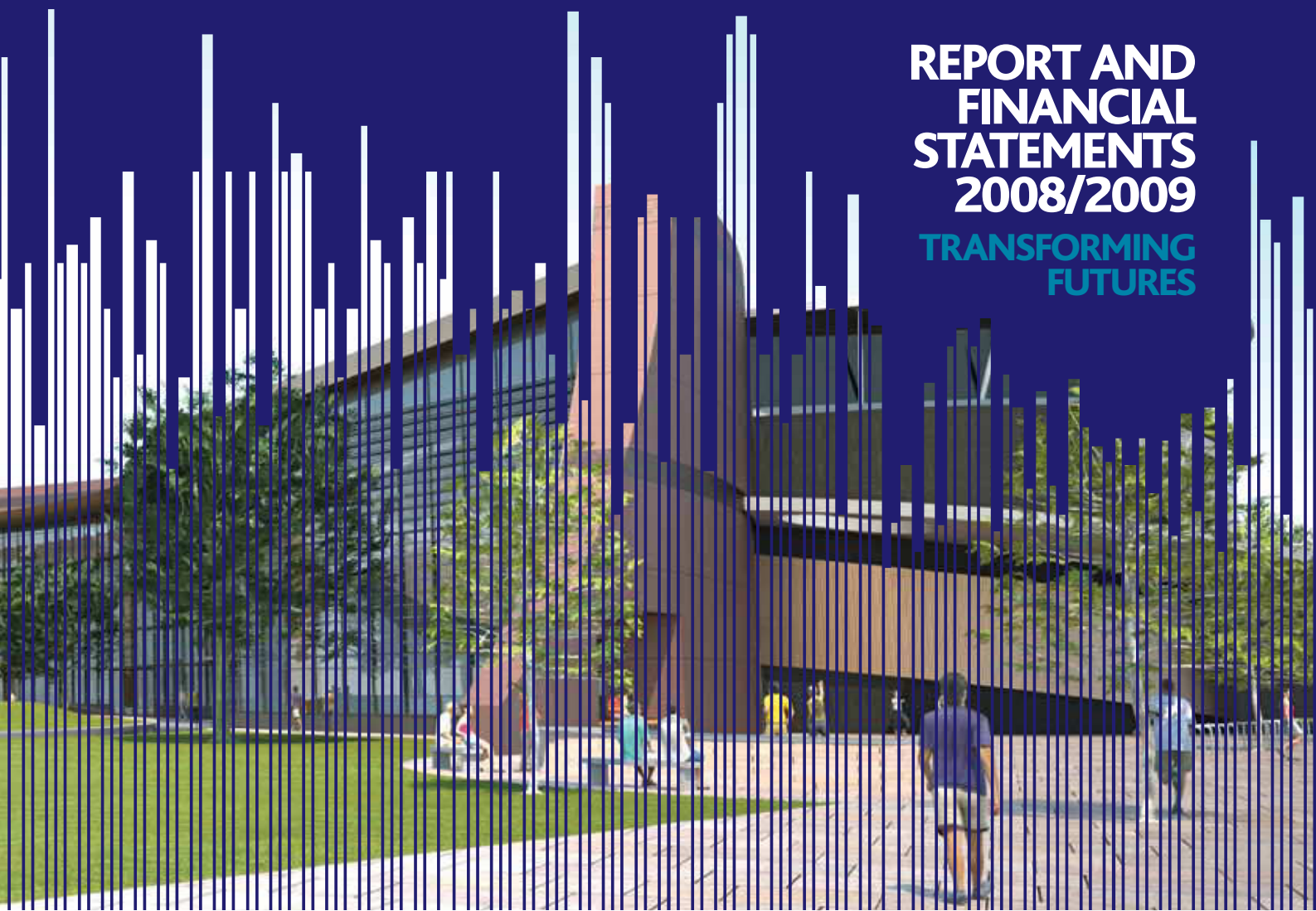


**REPORT AND
FINANCIAL
STATEMENTS
2008/2009**

**TRANSFORMING
FUTURES**





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Welcome from the Chairman



2008/09 has been another excellent year at South Cheshire College with many more student successes and college wide achievements to reflect on.

This report gives an insight into how the College is fulfilling its mission and is a public account of the use to which the governing body, which is responsible for producing the report and for setting the strategic direction and budget for the College, has put the funds made available to it.

The major highlight of the year has been the significant progress which has been made on our new flagship campus which is on course and within budget to open as planned in September 2010.

Construction work started in October 2008, and the new building has developed at an unbelievable rate thanks to BAM Construction, who are the main building contractors appointed by the corporation board.

There is no doubt that when the new campus is completed, we will have one of the finest further education buildings in the country, together with state of the art facilities, which will serve the future generations of Crewe, Nantwich and our other catchment areas.

Once again, academically our students did us proud this year by achieving a 99% A Level pass rate, which is well above the national average, and there was also a very high success rate on the vocational courses we offer, particularly the BTEC First and National Diploma programmes.

Numbers on full time and higher education programmes continued to grow during the 2008/09 academic year.

The number of full time under 19 students exceeded 2,380 and there were 652 students aged over 19 studying full time programmes during the year.

Results for the 2008/09 year continued to reflect excellent teamwork by staff and the commitment of enthusiastic and hardworking students. The high level of performance has been maintained, Leadership and Management are outstanding and the new Principal, supported by a very experienced and skilled senior management team, provides clear inspirational leadership, direction and vision. Excellent teaching is characterised by positive relationships between staff and students in a sociable and adult atmosphere with wide ranging support and guidance for students at all levels.

This college culture of being treated like an adult is a main advantage of coming here and allows students to develop their own independence.

The College continues to maintain high levels of success that fall well within the top 10 per cent of colleges nationally. At the end of the year 648 students were successful in gaining entry to university or higher education elsewhere.

The continuing success of the College depends upon the quality and enthusiasm of its staff. I would like to thank them for their dedication and hard work which ensures the College continues to go from strength to strength, year after year. Governors value their commitment and are proud of what the College continues to achieve.

These are exciting times for South Cheshire College with our new campus just around the corner and everyone has their part to play in its continued success.



K Lea
Chair of the Corporation Board





New College Campus Unfolds

The 2008/09 academic year saw the most exciting phase of the College's new campus development project begin.

In October 2008, the bulldozers moved in to completely demolish the old Somerville building, and by December foundations were laid on the site ready for the new steelwork of the sweeping structure to be erected.

The College kept staff and students updated with progress on the new campus throughout the first year of construction through a number of communication channels.

Regular internal newsletters were issued electronically to staff and students, a webcam was introduced as a live method of monitoring the construction process and a blog on the College website was also set up which contained still images of work in progress.

BAM Construction, the main building contractors for the project, have worked hard to ensure that the construction process is on course for the September 2010 opening.

A ground-breaking ceremony was also staged to mark the start of construction work in December 2008, while members of the public were invited to a community celebration event in January 2009 (see news clips below).

On page 5, there are a selection of images which show different phases of the construction project, from the demolition of the old Somerville building in October 2008 through to the steelwork for the new campus rising rapidly from the start of 2009.



Crewe and Nantwich Mayor Brian Silvester, left, and Conservative MP Edward Timpson launch the start of the College's new build project.

Ground Breaking Celebration Marks Start of New Build

Work on South Cheshire College's multi-million pound new build is officially underway after a ground breaking ceremony.

Crewe and Nantwich Mayor, Brian Silvester, and Conservative MP, Edward Timpson, used commemorative silver spades to signal the start of the new £75 million project at the College's Dane Bank Avenue campus.

They were joined by representatives from BAM Construction, the main building contractors for the project, Chair of the College's Corporation Board Ken Lea, other governors and directors from the college, local councillors and college staff and student representatives.

Guests attending the ground breaking celebration donned hard hats and boots, provided by BAM Construction, before entering the construction site and were treated to refreshments after the ceremony.

Nigel Peet, Director of Operations and Curriculum Support at South Cheshire College, said: "This ground breaking ceremony was a way of celebrating the official start of building work.

"BAM have worked extremely hard over the last few months to demolish the Somerville building and prepare the area ready for the new construction.

"This is a very exciting time for the College as we embark on the new build project. After years of planning the project is now about to start taking shape."



South Cheshire College's Director of Operations and Curriculum Support Nigel Peet, right, shows off a model of the new college to Crewe & Nantwich Mayor Brian Silvester and Lady Mayoress Sheila Davies.

College Stages Community Event

South Cheshire College marked the start of its new campus construction by staging a special community celebration event.

A wide cross section of the Crewe and Nantwich public came along to take a closer look at plans for the exciting development and learn more about the project at the College's Dane Bank Avenue site.

Building work has now officially started on the new campus and the £75 million development is set to be completed by autumn 2010.

As well as showcasing up to date plans and providing general information about the project, the event was also an opportunity for different college curriculum areas and facilities to showcase their work.

Hair and beauty, sport, travel and tourism and construction were just some of the areas that staged displays to provide information and highlight their plans for the new build.

Nigel Peet, Director of Operations and Curriculum Support, said: "This was a celebration for members of the community and gave local people the chance to come into College and find out more about the new facility.

"It was a busy, lively celebration and there was a great deal of interest in all of the stands.

"We have endeavoured to keep the local community informed throughout the planning stages of the project and we will continue to do so throughout the construction phase."

New Campus Milestones

October 2008

Hoardings are put up around the site, work begins on the temporary car park and the Somerville building and the nursery are demolished.



November 2008 - Looking back towards the tower block through the Somerville demolition site.



November 2008 - The site is almost clear ready for the new foundations to be laid.

November 2008

A large piece of demolition equipment is removed from the site to mark the end of demolition works.



January 2009 - The drainage systems on the new site are installed.



February 2009 – The new steelwork takes shape.

January 2009

The foundations of the new building are constructed and the drainage system and rainwater tanks are installed.

February 2009

Erecting the steelwork for the new building begins.

March/April 2009

The steelwork to Blocks D and E (teaching and learning blocks) is completed and the theatre starts to rise up along with the concrete framed library. Work also progresses well with Block G (The Crescent) and Block C (The Sports Hall).



April 2009 – Steelwork continues to rise.



April 2009 – The theatre starts to develop.

May 2009

The installation of concrete floors to Blocks D and E and the steel frame to Block C is completed. Steel frames to Blocks A and G also progress well. Internal drainage is also applied to the ground floor.

July 2009

The external coverings are applied to Blocks D and E and the roofers are continuing with the Sports Hall. Work on the new nursery building at the front of the campus begins.



June 2009 – Steelwork continues to progress well.



July 2009 – The new college nursery.



July 2009 - The concrete framed library rises up.



July 2009 – The College frontage.





Making the Headlines in 2008/09



Students on their trip to Beijing.

September 2008

Sports Students Fly The Flag In Beijing

Sports students from South Cheshire College were flying the flag at the Paralympic Games in Beijing.

Students on A Level sports courses and those working towards a Foundation Degree in Sports Coaching and Fitness jetted out to the Far East as part of an educational research project.

The long distance trek was one of the furthest trips that students from the Dane Bank Avenue campus have embarked on in the College's history.

Sports lecturer, Chris Hollinshead, coordinated the eye opening visit, which students self-funded, and was joined by staff Jacqui Funge and Wendy Halliwell.

The party sampled different paralympic events during the games and gained an insight into a different culture.

Students on the A Level and Foundation Degree courses learn more about disability sport and the organisation of major sporting events during the year.

Chris Hollinshead said: "The trip provided a context for academic units in the forthcoming months."

During the trip, students also had the opportunity to visit some world famous attractions, such as the Great Wall of China, in their spare time.



Art and Design National Diploma student Ally Thorley adds the finishing touches to her mural.

November 2008

Students Brush Up For Skills Challenge

Art and Design students did the College proud by completing a Skills Challenge as part of the Colleges Week celebrations.

Over 120 students at South Cheshire College created one of the longest pieces of artwork ever produced in Cheshire in a day at the Dane Bank Avenue campus.

Different art and design groups, ranging from BTEC National Diploma students to Foundation Degree level, painted the huge mural on hoardings which have been erected around the site earmarked for the College's £75 million new campus.

Students planned their eye catching designs for weeks in the run up to the challenge which was a huge race against the clock.

Tutor groups worked with their personal tutors to produce a series of linked designs based on a number of different themes and then worked in pairs to create a minimum of three A3 designs, which work individually and when they are connected as a whole.

The designs explored key aspects including shape, silhouette, line, colour relationships, composition, size and scale.

Every artist had their original artwork pinned up alongside them which they were able to copy and enlarge on the hoardings.

The groups, supervised by art and design lecturers, worked from the start of the day until darkness set in to give the hoardings a complete transformation.

Graphics Lecturer, Kim Minshull, who helped to supervise the day, said: "The Skills Challenge was a great experience for all the students.

"Days like these provide excellent evidence for their individual portfolios and give them the opportunity to work on a live project under pressure."



Levi pictured in his BMX gear.

January 2009

Talented BMX-er On Fast Track To Glory

A talented college student is raising the bar after returning from his latest BMX race across the Atlantic.

Levi Ashley, an A Level student at South Cheshire College, has been spinning heads by competing at many high profile competitions – including the latest in Texas, USA.

The 17 year old took part in 'The Grands' competition in Oklahoma just before Christmas and almost went the full distance before crashing out in the quarter finals.

Levi spent three weeks across the Atlantic going wheel-to-wheel against seven other bikers in different races. He successfully negotiated the group heats of the competition and was unlucky not to progress further in what proved to be a tough battle.

Levi, who first started BMX biking when he was seven, is a member of the Cheshire Ghostriders Club and trains at Crewe's Tipkinder Park each week, where he is coached by the two-time women's BMX World champion Shaneze Reade.

All the races during 'The Grands' took place at an indoor stadium in Oklahoma, but Levi spent the rest of his time resting and training in the Texan city of De Soto.

Levi said: "The whole BMX set up over there is really serious – it's like football is to us here. Everyone wants to win so you're up against it. I took part in three heats and to win a place in the quarter finals you had to win at least one which I did.

"In the quarters, I was in third place in the race when I suffered an unfortunate clip-out, where my foot came off the pedal and that cost me." The former Sir William Stanier High school pupil received £895 from the Learner Support Fund, while the Gifted and Talented Fund, which helps students to develop a talent or build on their academic prowess, handed over a further £250 to boost his trip.



Hairdressing students Jade McHugh, left, and Kerry Barlow celebrate their national competition success.

March 2009

Hair Duo Are At The Double In Blackpool

A talented hairdressing duo did the College proud in a prestigious national hairdressing event.

Kerry Barlow won first prize, while fellow student Jade McHugh finished runner-up in the Avant Garde section of the National Hair Federation (NHF) competition in Blackpool.

The proud pair from South Cheshire College fended off the challenge of 60 top stylists from schools, colleges and hair salons up and down the country in the national showdown.

Kerry's national success builds on the Creative Award Winner prize she won at South Cheshire College's annual hair and beauty competition in January.

Her winning 'Alice in Wonderland' creation was modelled by Melissa Hamlett, while Jade created a 'Poison Ivy' style which was modelled by Chloe Wilbraham.

Kerry landed a trophy, a certificate and a £100 cash prize for her winning entry, while Jade scooped a silver medal and certificate for her achievement at the Winter Gardens, Blackpool.

The pair, who are both on NVQ (National Vocational Qualification) Level 3 Hairdressing qualifications at the College, are both looking forward to exciting careers in the hairdressing industry.

Kerry, 21, of Winsford, said: "I was absolutely gobsmacked when I found out I'd won. I didn't expect this because there were so many good competitors."



Students go pitchside on their visit to Wolverhampton Wanderers.

April 2009

Students Hungry for More After Wolves Visit

Students were on top of their game when they visited Championship high flyers Wolverhampton Wanderers FC.

Eleven students working towards an ICT BTEC First Diploma spent an afternoon at Molineux Stadium learning more about how the club operates as a business and the IT systems which are used on match days.

The link up was forged through South Cheshire College's employer engagement programme, which aims to bring business and education closer together.

The group were given a tour of Molineux and visited areas of the stadium including the boardroom, press suite and dressing rooms.

Students, who are in the first year of their college course, also spent time with Head of Retail, Peter Pridmore and in the stadium control room with Stadium & Safety Manager, Steve Sutton.

Peter told students more about the club's official merchandise sales and on-line shopping service, while Steve demonstrated IT systems and Closed Circuit TV (CCTV) which club officials and the police use to monitor fans around the stadium.

Roger Freemantle, IT Lecturer and Employer Engagement Representative at South Cheshire College, said: "The trip to Wolves was a fantastic experience and gave students the opportunity to see how a high flying football club operates.

"This was the first time that a group of students from the College had been to the club and we are very grateful to Wolves Community Trust who made the visit possible."

Will Clowes, Community Operations Manager at Wolves, said: "We were pleased to be able to welcome students from South Cheshire College and strengthen our links with the wider community.

"Providing educational support through a variety of activities is a key objective of our charity, Wolves Community Trust."



May 2009

Starting Point Celebrates Ofsted Success

Starting Point Child Care Centre has received another excellent Ofsted report following an inspection earlier this year.

The Centre, which is currently located on the ground floor at the College's Administration Centre in Crewe, offers childcare for 0 to 5 year olds and after school and holiday clubs for children up to 11 years of age.

Ofsted carried out the one day inspection to assess the quality and standards of registered early years provision at the nursery, which caters for up to 76 children.

The report highlighted that the Centre meets all the requirements of the Early Years Foundation Stage (EYFS) and offers an inclusive environment where children are fully safeguarded and their requirements are met.

All children develop a strong sense of belonging within the nursery, share warm relationships with staff and have access to an excellent range of resources, play opportunities and activities which reflect diversity, and benefit from fresh air and exercise each day.

The Centre's strong, well qualified and experienced management team and staff, who are highly motivated towards providing good quality care and education for children, also received high praise from the Ofsted Inspector.

The report also singled out that parents value the friendly, informal relationships they share with staff and feel involved and included in the nursery.

Sam Hart, Starting Point Child Care Centre Manager, said: "We are very pleased with the Ofsted report which reflects the quality childcare service that we provide at Starting Point.

"It also enables us to continue to offer free sessions, under the EYFS grant scheme, to children aged 3 and above."



Nature, Objectives and Strategies

Mission 'To Strive and, Achieve'

The members present their report and the audited financial statements for the year ended 31 July 2009.

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting South Cheshire College. The College is an exempt charity for the purposes of the Charities Act 1993.

About the College

South Cheshire College was designated a tertiary college in September 1982. Since incorporation in 1993, overall recruitment has continued to increase in the 16-18 full-time category and the College is now a large college with a diverse curriculum covering a broad range of academic and vocational qualifications. Within its tertiary remit it is the sole provider of post-16 education in Crewe. In addition, the College complements school provision with a wide portfolio of A Level and vocational courses for students from South and East Cheshire, Staffordshire and Shropshire who wish to study in a tertiary environment.

Since incorporation, the College has established effective working relationships with all sectors of education within the area. Approximately 1,250 primary pupils from 32 schools, for example, attended 'Primary College 2009' – the sixteenth annual Primary College. Relationships with partner secondary schools have been enhanced with the provision of an annual Secondary College, which in July 2009 saw some 610 year 10 pupils from the Crewe partner schools participate in a range of activities within the three day programme. The College is continuing to expand its links with higher education (HE), including a new partnership with the University of Wolverhampton for the delivery of a foundation degree in construction. The College is an active member of the Cheshire and Warrington Consortium of Colleges, which coordinates the approaches of all Cheshire colleges to HE work in the local Learning and Skills Council area.

Since incorporation, the College has played a major role in the life of the community beyond formal education and training. Individuals and community groups use the services provided by the wide range of facilities within the College. This provision includes Training Restaurants, Hairdressing and Beauty Therapy Salons, a Fitness Centre, Motor Vehicle Garage, Theatre, Shop and an ABTA-bonded Travel Agency. The ongoing college rebuild programme, which will see all of the current premises replaced with a new purpose designed and built college on the Dane Bank site, is now half way through its planned development and is on target for completion and opening in September 2010.

The College was inspected in March 2008 and received an outstanding report, with Grade 1s awarded for all aspects of its provision. The College has now topped the Ofsted league tables for more than ten years and continues to enjoy the reputation of being one of the country's top performing educational institutions. South Cheshire College holds Beacon College status; it also enjoys accreditation under ISO 9001:2000 and Investors in People, and holds the Matrix award for its careers provision. In 2008, the College was also listed in the '100 Best Companies to Work For' survey.

The Vision: The College in 2010

South Cheshire College will be a centre of excellence for post-16 education and training, providing a comprehensive range of high quality provision, supported by excellent resources, within an attractive and accessible learning environment.

Mission

'To Strive and Achieve'

South Cheshire College promotes quality teaching and learning in a supportive environment. It aims to respond flexibly to the educational and training needs of its communities; anticipating, identifying and satisfying these needs efficiently and effectively.



Organisational Values

A series of values has been adopted to characterise the desired work climate and interpersonal attitudes at South Cheshire College and to guide the development of administrative policies and procedures. They are as follows:

- South Cheshire College exists to serve its customers and clients; each member is a valued asset.
- Everyone will be treated with care and consideration as an individual whose contribution to the College is recognised.
- Management is more concerned with guidance and support than with regulation and control.
- All members of the College are partners in the success or failure of the organisation; each one is accountable for results.
- Quality is at the heart of all we do; in our pursuit of excellence we recognise that individually and collectively we can always improve.
- The willingness to contribute to and respond to change is fundamental to our success.
- Within the College, integrity and commitment are as highly valued as enterprise and creativity.
- Clarity and openness of communication are considered essential to our stability and success.
- Cooperation is preferred to competition and partnerships will be encouraged with both education and non-education providers to develop our provision.
- Equality of opportunity is a commitment, which all members of the College will actively pursue.

Strategic Plan

The College produces a three year rolling strategic plan on an annual basis. This plan covers all aspects of the College's operations including financial forecasts. The Corporation monitors the performance of the College against this plan. The plan is reviewed and updated each year. The College's strategic aims for the period commencing 1 August 2008 were as follows:

- To provide a comprehensive range of education and training opportunities that meet the needs of the 16-19 and 19+ populations.
- To assist national and local enhancement of skill levels through the encouragement of individuals to reach their full potential. This will include targeted campaigns to widen participation amongst those groups currently under represented in the college student profile and enhanced provision at Levels 1 and 2.
- To provide appropriate advice, guidance and support, to help students to progress.
- To enhance the resources and facilities of the College to heighten the learning experiences of students and provide the community with a centre of excellence for social, cultural and recreational opportunities.
- To develop a range of strategic partnerships to enhance the efficiency and effectiveness of education and training in the areas which the College serves in accordance with the objectives of the Learning and Skills Council (LSC).
- To support the continuing development of a staffing profile which focuses on the effectiveness of student learning and organisational efficiency, and to achieve a fully qualified workforce.
- To maintain the financial health of the College as a Grade A college with appropriate levels of financial reserve to ensure stability of provision.



Financial Position

Finance and Administration

The financial statements are for the 16th accounting period of the College following incorporation on 30 September 1992. The statements cover a 12 month period in all cases.

The College LSC funding cash target for 2008/09 was £16,496,000 covering 3,876 standard learner numbers (SLN) in the age 16-18 learner category (2,565 actual learners) and 1,398 SLN in the adult learners category. The College has achieved a total cash funding figure of £16,288,000 with 3,887 16-18 SLN and 1,305 adult SLN. Actual funding for the 16-18 learner category exceeded the cash target by £30,000 whilst the Adult Learner Responsive funding fell short by approximately £238,000.

The College has increased its LSC funding unit or cash funding achievement each year since incorporation. The funding for the last six years is shown to the left.

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Funding	£13,091	£14,107	£14,532	£15,299	£15,764	£16,288

Due to the full implementation of Accounting Standard FRS17 (Retirement Benefits), the deficit in the final accounts is shown as £282,000 with an historical cost surplus of £734,000 and College reserves of (£1,275,000). These FRS17 adjustments are not taken into account by the LSC when determining the financial health status of the College. If the FRS17 adjustments are excluded from the statements, the deficit would be £156,000 with an historical cost surplus of £860,000 and College reserves of £5,470,000.

The College was formally recognised as a Grade A financial health status college by the FEFC in September 1999 based on financial forecasts as at 31 July 1999 and has been confirmed as such in each subsequent year by the LSC.

A further £230,000 was invested in the latest four year IT leasing agreement, which provided funds for 80 new staff and student laptops, wireless network expansion, infrastructure and installation, network storage and Engineering CAM hardware. The Campus Development Project received formal AiD (Application in Detail) approval at the LSC National Council Meeting on 30 July 2008. The approval was for a total project cost of £75,585,794 with LSC Capital Grant at 77.4% (£58,503,794) and an agreed bank loan.

	2005/06	2006/07 (excl FRS 17)	2007/08 (excl FRS17)	2008/09 (excl FRS17)	Grade A Target
Current ratio	2.37:1	1.77:1	1.51:1	1.3:1	1.3:1
Bank balance	£2,504,000	£1,599,000	£1,718,000	£1,329,000	£1,449,000
Cash days in hand	49 days	30 days	43 days	23 days	25 days
General reserves	£4,160,000	£4,298,000	£4,610,000	£5,470,000	£1,058,000
% reserves/income	22.3%	22.5%	22.7%	25.8%	5%
Net (debt)/funds	£1,903,000	£1,071,000	£1,193,000	(£8,226,000)	0
% staff/income	64.9%	66.5%	67.1%	65.3%	n/a

As at 31 July 2009, total outlay for the project stood at £24,724,000 for which £19,059,000 support has been claimed from the LSC and £11,531,000 received by 31 July 2009.

The following represent the key achievements within the Finance and Administration department during 2008/09:

- All statistical returns, including ILR and financial claims were completed accurately and on time.
- Good Internal and External Audit reports and very favourable associated management letters were received during the year.
- Full compliance with Turnbull recommendations on Corporate Governance was achieved.
- Following completion of FMCE (Financial Management and Control Evaluation) the College was graded as Outstanding in terms of Financial Management and Governance.
- The Proactis electronic purchase order/invoice authorisation system was successfully implemented from 1 September 2007 and has resulted in significant reductions in staff time and associated process costs; for 2008/09 the Finance and Administration department was able to deliver the same level of service with a 0.6 fte reduction in staffing. Further Proactis training during 2008/09 has significantly improved the efficiency in purchasing process throughout the College.
- Measured savings of £71,388 were achieved and reported on consumables contracts within the year by the procurement manager in addition to the £98,400 savings reported to the LSC the previous year via the EMMFE return.
- A bank loan facility in respect of the new build was put in place and approved by the Corporation on 17 July 2008. Monthly draw downs have been made against the revolving credit agreement each month with supporting documentation.
- Smooth and timely decant of the Finance and Administration department to the Edleston Road premises was achieved during August 2008 in preparation for demolition of the Somerville buildings as part of the Campus Development Project.

Pathfinder College

South Cheshire College remained one of the pathfinder colleges for 2008/09 and is also subject to plan led funding which meant that the College did not require an ILR Audit Opinion. However, as one of the few pathfinder colleges, the College was selected for the pilot funding assurance audit undertaken by the LSC during the year and it was confirmed that the systems and controls in place were considered adequate.

This selection reflects positively on the LSC's assessment of the quality of South Cheshire College's management information, the recent funding audits and the positive relationship between the College and the Council.

The criteria for Pathfinder College Status include:

- The College has robust management information which supports its funding claims and ILR returns.
- The College submits funding claims on time and that have no significant errors or underperformance against targets.
- Demonstrable success in using in year data to accurately predict future out-turns.
- Experienced and essentially stable senior management team.
- Good inspection outcomes, particularly in respect of leadership, management, quality assurance and the quality and reliability of the ILR and associated student records systems.

Subsidiary Companies

The College has three subsidiary companies: Training and Consultancy (TRAC) Limited, Cheshire Management Centre Ltd, which remain dormant, and South Cheshire Enterprises Limited (SCEL), which recommenced trading on 23 October 2002. These companies were incorporated in England and Wales and are limited by shares.

The portfolio of SCEL consists of the following activities, shown with the dates for commencement of trading:

- Dane Bank Travel Centre - 23 October 2002.
- College Shop - 1 August 2004.
- Café Chill (student catering agent) - 1 October 2006.
- Dane Bank Theatre and Conference Facility - 1 October 2006.
- Management Consultancy and Training - 1 October 2006.
- Cleaning Solutions (commercial cleaning) - 1 September 2007.

The company had an annual turnover of £1,507,500 in 2008/09 as opposed to £1,751,500 for 2007/08. The SCEL Contracts arm also obtained £120,000 worth of business for the College via successful bid writing in 2008/09.



Current and Future Development and Performance

Inspection Report

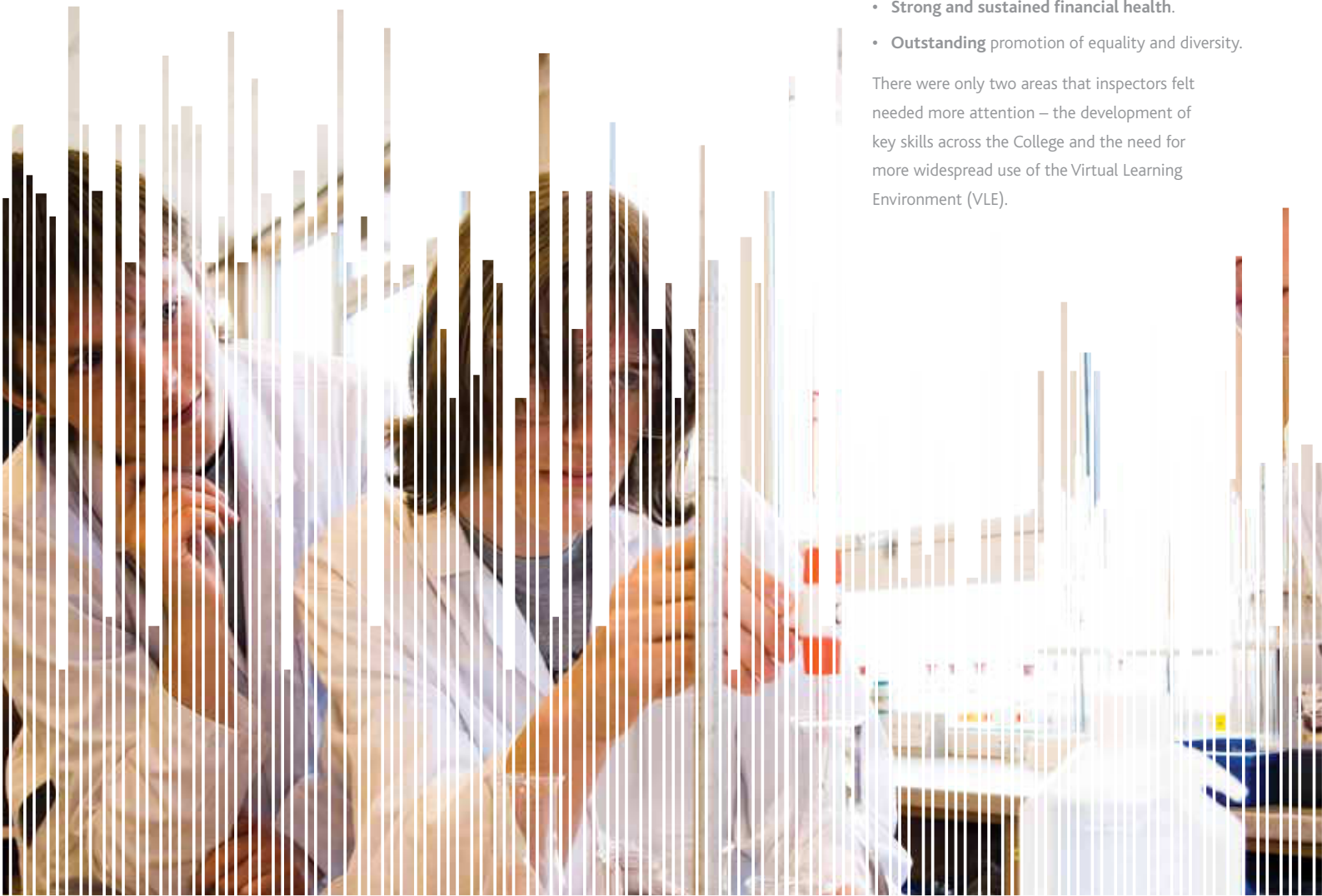
The Ofsted inspection report for South Cheshire College can be found on the Ofsted website – www.ofsted.gov.uk. The grades awarded were as follows:

Effectiveness of provision	Grade 1 Outstanding
Capacity to improve	Grade 1 Outstanding
Achievement and standards	Grade 1 Outstanding
Quality and standards	Grade 1 Outstanding
Leadership and management	Grade 1 Outstanding
Contributory Grade	
Equality of opportunity	Grade 1 Outstanding

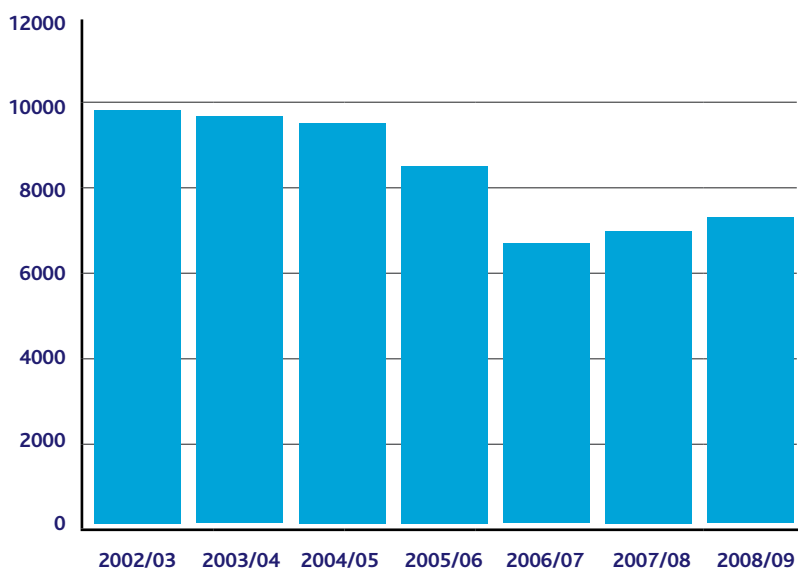
The key strengths of the College were listed as:

- **Consistently high success rates** on long courses at levels 2 and 3.
- **High success rates** in GCE A Levels and NVQs.
- **Outstanding** teaching and learning.
- **Outstanding** learning guidance and support.
- **Excellent IT systems** to record and monitor students' engagement and performance.
- **Outstanding** educational and social inclusion.
- **Effective collaboration** with schools and other educational providers.
- **Outstanding** leadership and governance.
- **Strong and sustained financial health.**
- **Outstanding** promotion of equality and diversity.

There were only two areas that inspectors felt needed more attention – the development of key skills across the College and the need for more widespread use of the Virtual Learning Environment (VLE).



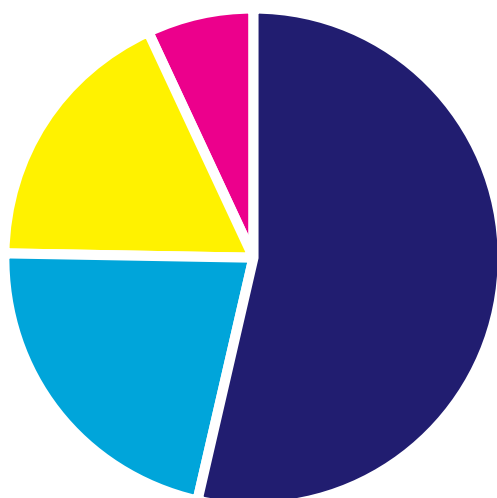
Key Statistics



Total Enrolments For All Courses	
2002/03	9927
2003/04	9884
2004/05	9514
2005/06	8480
2006/07	6641
2007/08	6910
2008/09	7032

Destination Figures

Number of exit students	1205	43%
Number of students progressed or continued	1583	57%
TOTAL	2788	100%



Destinations of exit students

University/HE courses	648
Apprenticeship or Employment	262
Unemployed/Seeking Employment	213
Other	82

Number of staff employed FTE	356.5
Annual Turnover	£21.15 million





Performance Indicators 2008/09

Performance indicators relating to key areas of the College's activity are given below:

- Achievement of funding and number targets 2008/09
- Retention Rate
- Achievement Rate
- Success Rate

Fig. 1 - Performance Indicators 2008/09

	2005/06	2006/07	2007/08	2008/09
Achievement of Funding Targets	101%	103%	100%	n/a
Achievement of Funding Target – Young People Learner Responsive	n/a	n/a	n/a	100%
Achievement of Funding Target – Adult Learner Responsive	n/a	n/a	n/a	92%
Achievement of Number Targets	100%	102%	98%	n/a
Achievement of Number Target – Young People Learner Responsive	n/a	n/a	n/a	99%
Achievement of Number Target – Adult Learner Responsive	n/a	n/a	n/a	84%
Retention: Long Qualifications	83%	85%	86%	88%
Retention: Short Qualifications	94%	95%	94%	94%
Achievement: Long Qualifications	89%	91%	89%	90%
Achievement: Short Qualifications	91%	83%	87%	87%
Success Rate: Long Qualifications	74%	78%	77%	79%
Success Rate: Short Qualifications	85%	79%	82%	81%
Overall Retention Rate	88%	88%	88%	89%
Overall Achievement Rate	90%	89%	88%	89%
Overall Success Rate	80%	78%	78%	79%

Student Recruitment

Within the period 1 August 2008 to 31 July 2009, the College experienced a further increase in full-time students, exceeding both the cash funding target and full-time equivalent (FTE) target for 2008/09 (see Fig. 2).

In addition to LSC/HEFCE work, the College enrolled 930 students on Adult Education courses under a separate contract with the Cheshire Local Education Authority (LEA) and 215 part-time students who were sponsored by Total People Ltd or other training agents.

Fig. 2 - Student Recruitment (HEFCE – Higher Education Funding Council for England)

	LSC/HEFCE ENROLMENTS			
	2005/06	2006/07	2007/08	2008/09
Full-time	3,054	3,102	3,239	3,281
Part-time	5,177	3,385	2,775	2,982
Total	8,231	6,487	6,014	6,263

The College Programme

During 2008/09, the College continued to improve on the record full-time student numbers achieved in the previous year. Changes in funding priorities and the significant reduction in the range of part-time fundable programmes resulted in an anticipated shortfall in part-time student numbers.

The table (Fig. 3) shows LSC provision over the last four years. Full time provision at 16-18 and 19+ continue to grow year on year.

Fig 3 - The College Programme

	Age	2005/06	2006/07	2007/08	2008/09
		Full-time	16-18	2,295	2,334
	19+	600	644	698	632
	Total	2,895	2,978	3,074	3,024
Part-time	Total	5,127	3,204	2,639	2,882

Fig. 4 - HE Numbers

	2005/06	2006/07	2007/08	2008/09
FTE numbers	221	229	242	296
Funding	£762k	£892k	£1,076k	£1,246k

The College also had sustained growth in HEFCE supported provision as shown in Fig. 4.

In addition to record student numbers, the College had record levels of student performance. The table (Fig 5) shows the key success measures published by the Department for Children, Schools and Families (DCSF) for the College.

Key developments within the College programme included:

- Expansion of English for Speakers of Other Languages (ESOL) provision to meet the needs of the rapidly growing migrant worker population, through the establishment of a dedicated Language Centre at Rail House on Nantwich Road.
- Continued support of the partnership with local primary and secondary schools to support parents/guardians to help their children to learn.
- Introduction of four new Foundation Degree programmes introduced in September 2009, Complementary Therapies, Travel and Tourism, Digital Media and Construction.
- Continued support of the local development and delivery of new Diploma programmes.

Partnership Arrangements

During 2008/09, the College worked with a range of specialist partners to help deliver the college programme as follows:

- The College, through South Cheshire Enterprises Ltd (SCEL), has engaged with a range of partners including a consortium of colleges in an LSC funded Knowledge Transfer Project, two Beacon Innovation Fund Projects, is the North West Lead with Deloitte LLP for the development of Functional Skills.
- The College has commenced a new two year partnership with Total People Ltd. Under this arrangement, the College provided 'off the job' support for young people from nearly 100 local companies in such vocational areas as engineering, construction, administration, accounting and catering. As part of the partnership arrangement, Total People provided practical skills development for engineering apprentices in the College's engineering workshops.
- A specialist programme is delivered in conjunction with Petty Pool Trust to meet the needs of 85 students with learning difficulties and disabilities.

Fig. 5 - Student Performance

		2005/06	2006/07	2007/08	2008/09
1	Number of students at the end of their first year of study for an Intermediate GNVQ, BTEC First (Diploma or Certificate)	191	168	206	201
2	% Achieving qualification	86%	92%	94%	95%
3	Number of students entered for all Level 3 qualifications at the end of their second year of study	532	620	581	646
4	Average points score for those students above	652.1	741.4	753.9	700.3
5	Average points score per entry	203.3	208.4	208.6	209.4

- A wide programme of vocational opportunities for adults is provided with five partner schools – the largest programme being a long established arrangement with Sandbach School (Boys).
- The College also has construction based partnership arrangements with West Cheshire College for the delivery of construction apprenticeships.

14-16 Developments

The College has continued to support local schools in responding to the opportunities provided by the range of new diploma programmes. During 2008/09, the College has assisted in the development of successful local partnership bids which resulted in approval to offer Business and Finance and Creative and Media diplomas from September 2009. The College has also supported new successful gateway submissions in Hospitality, ICT and Hair and Beauty, which are approved to operate from September 2010. In addition to this work, the College has developed new after school provision for Level 1 Construction and Hairdressing which will be offered in partnership with a local high school.

Community Provision

The College has successfully operated a range of provision in partnership with local high schools, in addition to a programme at the College main site. Additionally, the College works in partnership with the Local Education Authority to offer local

provision in Personal and Community Development Learning (PCDL) and programmes for Family Learning and Offender Learning. The provision of ESOL programmes operated from the Language Centre has also expanded during the year.

Train to Gain

The College has continued to respond to developments within the Train to Gain initiative through a range of programmes delivered in the workplace. The majority of activity has been focused on meeting demand within Customer Service, Business Administration, ITQ, Child Care and Food Preparation.

Primary and Secondary College Events

During 2008/09, the College continued its approach of working in partnership with local primary and secondary schools in curriculum delivery. The Primary College event, which operated for the first week in July 2009, was attended by approximately 1,250 pupils from 32 schools. This year, pupils were able to choose from 33 different activities, some run by South Cheshire College staff, others from external agencies such as the Police, Cheshire East Authority and the Mark Speight Foundation.

Secondary College took place between 6 and 8 July 2009. Staff from the College provided sessions for approximately 610 year 10 pupils from partner high schools.





CERI LLOYD

SIR THOMAS BOUGHEY HIGH SCHOOL, STOKE-ON-TRENT

A LEVELS

Ceri celebrated A grades in Maths, Biology and Art. She has moved on to Liverpool University to study Bio-chemistry but is also thinking about studying Veterinary Science as a future qualification.

She said: "I want to work with animals in the future, possibly as a vet, and that's why I chose Biology as an A Level. I'm very pleased with all my grades and the College has been an excellent place to study. Even though I didn't know many people when I first came here, I soon made friends."

Quality Assurance

Both the Framework for Excellence and the newly revised Common Inspection Framework place the learner at the centre of the learning process. The Business Excellence Framework acknowledges, "Excellence is dependent upon balancing and satisfying the needs of all relevant stakeholders" and that "the customer is the final arbiter of product and service quality". The College Quality Systems are focused on improving the experience and the success of the individual learner.

Our strategies follow the principles set out in Success For All whereby "The right of every learner to expect and receive teaching of excellence lies at the heart of the rationale for our strategy. We identify those teaching methods that have proved effective in the learning and skills sector, disseminate information about these, provide appropriate training for teachers and trainers, and encourage their use." Quality systems, and in particular the processes for course monitoring and review, focus upon driving up standards throughout the organisation through a clearly defined self assessment and quality improvement cycle, linked to the requirements of the inspectorate and the funding bodies.

The College operates a supportive classroom observation process to promote good quality teaching and learning. A developing online system captures all the different types of observation that occur throughout the organisation. These systems will assist the College managers within the Subject Sector Areas to identify the key strengths and areas for improvement regarding teaching and learning.

The College has an outstanding record of academic success. In 1999 the College achieved the highest grades of any College inspected within the auspices of the Further Education Funding Council.

In February 2004, the College received the highest inspection grades within the Ofsted/ALI inspection framework. Since then the College has also been subject to four Subject Sector Inspections and received excellent results. In March 2008, the College again received Ofsted inspection grades of Outstanding in every aspect of its provision with a contributory grade of Outstanding for equality of opportunity.

The quality of teaching and learning is outstanding. Arrangements to assure the quality of teaching and learning are very effective and the proportion of outstanding teaching has now risen to 38%. Learners make excellent progress and are encouraged to achieve highly through challenging targets. Methods used to enliven teaching are effective and innovative practice is encouraged. Assessment practice is rigorous and students' initial needs are well identified by good dialogue with partner schools. Teachers make much use of information technology (IT) and good quality learning resources to meet students' preferred ways of learning. Support and guidance for learners are outstanding.

The College continues to hold the ISO 9001:2000 and the Investor in People (IIP) quality marks. These systems are reviewed on a regular basis. The areas assessed during the course of the last visits were found to be effective. There were no outstanding non-conformities to review from previous assessments. No new non-conformities were identified during the assessments.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

Curriculum Support

Advice and Guidance

The Careers team continued to provide an outstanding level of service to all our students. This service includes individual and group interviews, and drop-in advice sessions. These were largely focused on pre-entry and/or progression advice, higher education options and applications, general careers guidance and job search help. In addition, group work sessions were delivered by advisers including sessions on career planning, CV writing, Higher Education, career research and writing effective personal statements. In addition, the department has secured a contract to deliver Nextstep guidance services to adult customers. This contract involves developing an even closer working relationship with the local Job Centre Plus and other community groups. A total of 1,949 career interventions were carried out, a slight increase on last year. There were a further 459 interventions via the Nextstep contract.

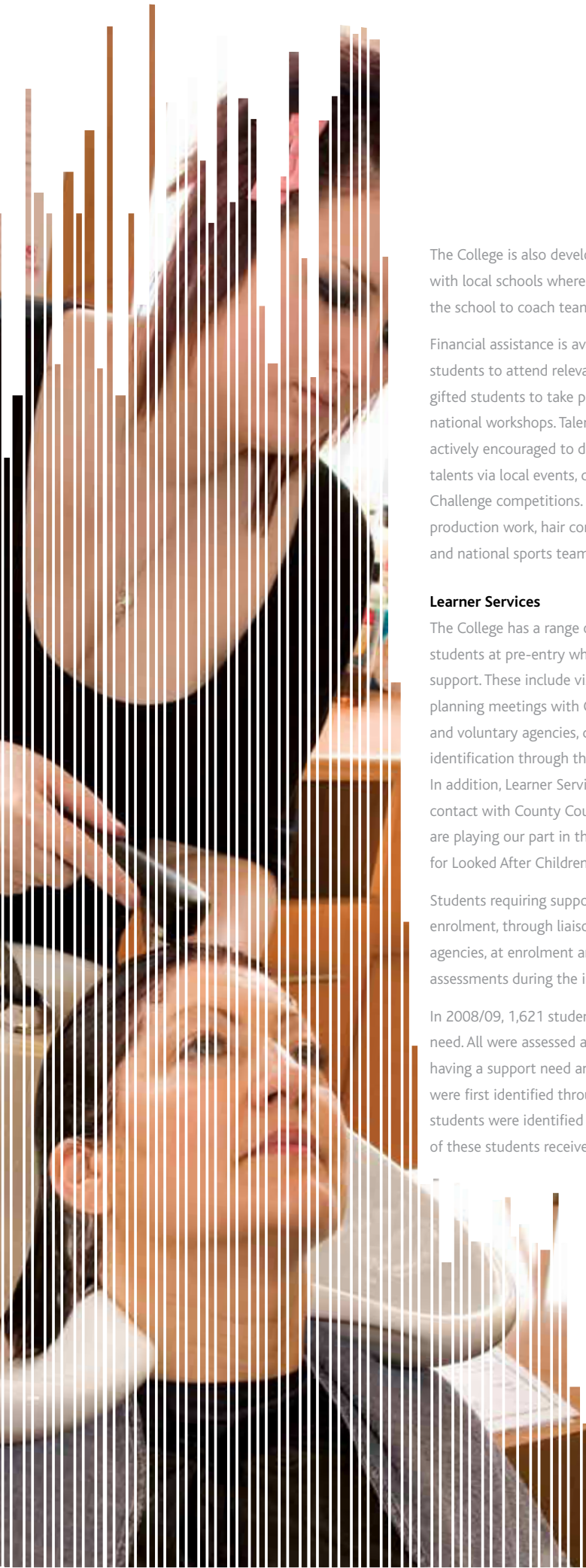
The Improving Own Learning Performance Key Skill and the Every Child Matters Agenda continue to be key priorities of tutorial developments for all full-time 16-18 year old students. The calendar for group tutorials was, once again, organised into key themes according to the time of year, for example: induction, preparation for progression, and Higher Education guidance. This was supported by a growing range of tutorial materials and specialist workshop input from professionals in the wider student support team. All full-time and significant part-time learners had an Individual Learning Plan and were set personal targets via the Student Tracker system. These targets were monitored via individual tutorials on at least a twice termly cycle. A pilot scheme was introduced focused on the development of a team of Personal Development Tutors to provide a slightly different model of tutorial support to A Level students. This role has tutorial support as its core rather than the previous

scheme of a wide range of tutors also being curriculum lecturers.

In total 148 students were identified as gifted and talented in 2008/09. Nine gifted students completed Open University units to stretch and challenge their studies under the YASS (Young Applicants in Schools and Colleges Scheme). Student impact statements were gathered on activities undertaken. Activities for the College's Gifted and Talented programme included an enhanced welcome event for first year students and their parents, law and music workshops at Lancaster University, presentation and workshop by Robin Elias, Managing Editor 'The Changing Face of Television News', British Board of Film classification presentation/discussion, taster sessions at Alder Hey Hospital for potential medical students, and the ECB cricket young leaders award. The College's Gifted and Talented programme also included Oxbridge preparation workshops, visits to the universities of Oxford and Cambridge, and mock interviews and workshops. Representatives from Oxford and Cambridge Universities held a seminar, as part of the College Higher Education event, to provide advice on applications, personal statements and preparing for selection interviews.

Cambridge University (Villiers Park) offered a range of workshops for gifted students and in 2008/09 five students from the College attended these on topics such as What is Truth?, Criminal Issues, Cell Biology and Genetics. Workshop conferences are also available at the University of Nottingham to provide realistic introductions to certain careers such as Medicine, Criminal Law, Veterinary Science and Forensics. The Sutton Trust also provided summer school opportunities. The College's Gifted and Talented Co-ordinator worked with college staff to liaise with colleagues in various local schools to introduce year 10 pupils to the Gifted and Talented support and provision within the College. The College has become accredited to TASS (Talented Athlete Scholarship Scheme) in order to develop college sports teams which aim to compete at local, regional and national level.





The College is also developing a project to work with local schools where sports students work in the school to coach teams.

Financial assistance is available to support talented students to attend relevant coaching events or gifted students to take part in extension events/national workshops. Talented students are also actively encouraged to develop and showcase their talents via local events, competitions and the Skills Challenge competitions. Examples included film production work, hair competitions and regional and national sports teams.

Learner Services

The College has a range of mechanisms to identify students at pre-entry who are likely to require support. These include visits to feeder schools, joint planning meetings with Connexions staff, statutory and voluntary agencies, direct initial enquiries and identification through the admissions process. In addition, Learner Services staff have been in contact with County Council staff to ensure we are playing our part in the new national strategy for Looked After Children.

Students requiring support are identified before enrolment, through liaison with schools and other agencies, at enrolment and through screening assessments during the induction period.

In 2008/09, 1,621 students indicated a support need. All were assessed and 951 were identified as having a support need and enrolled. A further 190 were first identified through screening. In all, 1,177 students were identified as needing support. 100% of these students received that support.

Some of the key developments within the area are outlined below:

In 2008/09 the success rate for Learners with Learning Difficulties and/or Disabilities across all programmes reached 80%.

Learner voice - Equality & Diversity project work and videos produced by Entry Level and FEAT students in relation to their learning experience and college life received college awards.

Entry Level students progressed through to BTEC Introductory Business, Pro-Chefs NVQ 1, Hairdressing NVQ 2 Stage 1, Construction Diploma Level 1 and First Diploma Performing Arts.

Work experience programmes were completed by 16 Entry Level students.

Individual programmes of Independent Travel Training (ITT) were completed by 34 students and six Entry Level students completed cycle training and the 'Let's Bike' Cheshire County Council qualification through the same project.

Resource Creation, Purchasing and Sourcing

Information and Communication Technology

This year has seen progressive developments in our use of systems and in their supporting infrastructure.

Our server farm resilience has been further improved with the addition of a primary and secondary Data Protection Manager server. This will vastly improve the integrity of our data and allow us to offer users much greater flexibility when restoring work.

The College's existing telephony systems were merged with a modern voice over IP (VOIP) solution to enable us to connect seamlessly to three remote sites via a wireless local area network (LAN). For 2009/10 the ICT department are working on a solution that will allow the VOIP system to fully replace the existing analogue system, allowing it to be decommissioned as part of the migration to the new building. The service should not be interrupted during term time.

The College is in the final phase of a programme to replace non energy efficient PCs and this will be complete in time for the transfer to the new building in summer 2010. The number of staff laptops has also expanded to ensure that IT provision will be sufficient in the new building.

The ICT team is involved in the planning and design of bringing the new site network online alongside the existing tower block network to ensure a 'no downtime' co-existence and final transfer of telephony and IT resources to the new site.

Resourcing Learning

Alongside continuing the creation of interactive learning resources and the management of existing resources, the streaming media service continues to function very efficiently and is currently being used by approximately 40 members of staff. This service allows staff to access recordings of free to air television across the College network and requires nothing more than a network connection. In addition to this highly popular service, the

installation of new satellites to pick up European channels now means that programmes in modern languages can be recorded for educational use. The extension of our educational broadcasting license to include streaming recordings outside of the campus, now means that recordings can be accessed from home as well. There are over 6,000 recordings available which have been edited to remove advertisements and have been encoded for streaming. They are currently being tagged with metadata to facilitate search functions.

Our Online Learning team continues to be involved in a wide range of new developments:

- Staff training sessions in materials development.
- PebblePAD, an online or electronic portfolio system providing space for storage and presentation of achievements and for personal or group reflection.
- Curriculum area content development projects.
- Support for over 4,000 users of the VLE.
- Sharing good practice both internally and externally.
- Development work in new technologies such as widgets and gadgets.

VLE Management

The most dramatic development in online learning over the last academic year has been the implementation of SharePoint LMS as a new, integrated learning environment. The Bank (SharePoint LMS' name at South Cheshire College) has been set up, trialled, evaluated and is in its final deployment phase. After the initial research stages, this process has involved the setting up of a server farm consisting of six load balanced and mirrored servers, a trial installation and testing with selected courses, evaluation and redevelopment, content management and rebranding and promotion.

In addition to the 4,300 users currently subscribed to Learnwise, our existing online learning system, we also have in the region of 600 users actively using the new system. The Bank will continue to be rolled out during the academic year 2009/10



MAURA WHEATCROFT

SANDBACH GIRLS SCHOOL PRO CHEF NVQ LEVEL 1

"I enjoyed cookery at school and wanted to take it on a step here at college. I looked to see what hospitality and catering courses the College has to offer and decided to sign up for the Pro Chef course. My cooking has improved a lot since I started here and I particularly enjoy improving my pastry and patisserie skills each week. I enjoy the hustle and bustle of a busy kitchen and I'm gaining great experience working in the kitchens and waiting on in the restaurant. I want to be a full-time chef in the future and this course is ideal if this is the profession you want to go into."





CHARLOTTE BRIDGES

BRINE LEAS HIGH SCHOOL A LEVELS

Charlotte gained A grades in Biology, Chemistry and Maths. She has progressed to Bristol University where she is studying Veterinary Science on a five year degree programme.

She said: "I can't believe these grades – they are much better than I thought. I'm looking forward to doing a very specific subject at university. College has been brilliant and I'm very sad to leave."

whilst Learnwise is phased out. This process involves promotion and staff development and will continue up until the beginning of the next academic year when new features of the system will be introduced.

E-portfolio Management

PebblePAD is still a popular learning platform for courses which require the creation of a portfolio for validation. There are a total of 1,705 users with 534 active accounts.

Promotion and training for all existing learning systems continues with members of staff and classes right across the college.

LRC

The learning resources centre (LRC) continues to provide a first class service to course teams and faculties, ensuring that information resources are available for all students. The main LRC also houses the Universities Central Admission System (UCAS) helpdesk where students seek assistance with their university applications.

Accommodation and Estates

The College continues to occupy 400 square metres of the ground floor of Rail House for the provision of ESOL classes.

In preparation for the new campus build, the College has purchased 1 Kingsway and the former Edleston Road Primary School building. The Kingsway building has been converted to a hair salon with teaching facilities on the premises. The Edleston Road building has been converted into a back office administration centre and childcare centre with one classroom added for the provision of ESOL classes.

The use of these spaces has allowed us to move the remainder of the Somerville building occupants into a much altered tower block on the Dane Bank end of the campus. 27 new classrooms have been created from larger spaces. The number of PCs in the main LRC on floor 3 has increased from 25 to 120, which has necessitated the installation of a new air conditioning system able to cope with the increase

in heat generated appliances. This, combined with an increase in the density of wireless access points, has enabled us to improve the PC user experience in an area of high occupancy.

Campus Development

Following the initial Feasibility Study and Options Appraisal in 2005/06, which focused upon the condition of the College's building stock and location of the campus, the College appointed a design team in October 2007 to further develop the new college build project. This team is made up of an architect, mechanical and electrical engineer, structural engineer, planning supervisor, quantity surveyor and project manager, whilst planning transport and property consultants are assisting the team.

The College's application in detail was approved by the LSC in July 2008 for a total budget of £75 million. Work continued with the design team and the main contractor BAM, formally HBG Construction, to confirm the detailed client requirements ready for the final contract signing. Following the contract signing, the contractors arrived on site on 6 October 2008, and an official ground breaking ceremony was held on 1 December 2008. As at 31 July 2009, the build programme had completed 42 weeks of a 93 week programme and is on time to complete at the beginning of July 2010. Decant arrangements are being put in place to ensure that the building and college staff will be ready to receive students in September 2010.

Weekly monitoring meetings are held with the project management consultants, Turner and Townsend, and with the builders, to ensure that the build remains on schedule and any decisions are taken quickly, avoiding any delays. A Campus Development Committee meets monthly to monitor the progress of the project and receive reports from the Project Manager and Constructor.

Liaison with the community and local councillors continues with groups meeting once a month to review any problems and to ensure a free flow of information.

Principal Risks and Uncertainties



The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

Based on the strategic plan, the College undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the College will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government Funding

The College has considerable reliance on continued government funding through the LSC and HEFCE. In 2009, 86% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding:

- The LSC is introducing a new demand led funding system to apply to FE colleges and other providers in respect of adult provision from August 2008. The funding methodology applies a series of factors such as guided learning hours and success rates to calculate an amount of funding to be received for each learner.
- The government is reviewing its priorities for the adult skills sector following the Leitch report into the skills needed for the UK to compete in the global economy.
- The 'Machinery of Government' changes expected to come into force from April 2010 which will see the LSC dissolved and replaced with successor agencies such as the Young Persons Learning Agency (part of the Department for Children, Schools and Families) and the Skills Funding Agency (part of Department for Business, Innovation and Skills).

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the College is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies.
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- Regular dialogue with the local LSC.

2. Tuition fee policy

The LSC intends to raise individual contributions. Ministers have confirmed that the fee assumption will increase to 42.5% in 2008/09, 47.5% in 2009/10 and 50% in 2010/11. In line with the majority of other colleges, South Cheshire College will increase tuition fees in accordance with the rising fee assumptions. The price elasticity of adult learning is not yet fully understood. The risk for the

College is that demand falls off as fees are increased. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students.
- Close monitoring of the demand for courses as prices change.

3. New Build Project

The College new build project may not be completed on time and/or on budget and this may impact on future learner numbers.

This risk is managed with a separate risk register for the campus development project and the Campus Development Committee meets on a monthly basis to monitor progress of the project and associated costs.

4. Maintain Adequate Funding of Pension Liabilities

The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 17.





Stakeholder Relationships

In line with other colleges and universities, South Cheshire College has many stakeholders. These include:

- Students
- Funding councils
- Staff
- Local employers (with specific links)
- Local authorities
- Government Offices and Regional Development Agencies
- The local community
- Other FE institutions
- Trade unions
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with them.

Marketing

During 2008/09, the College continued to market programmes of study and services efficiently and effectively, influencing organisations and individuals by researching opinions and needs, and providing appropriate information and services through a variety of activities and targeted campaigns.

Market and Opinion Research

Surveys conducted during the year by the Marketing team were:

- School Leavers' Survey – 332 year 11 pupils from three of our partner schools in Crewe and Nantwich were interviewed and the results analysed to enable more focused schools liaison activity and school leaver marketing in future.
- Destination Analysis – progression routes of our 2008/09 full-time cohort were tracked revealing that 648 progressed to university, 1,583 continued with their studies at the College and 262 gained employment or apprenticeships.
- Current Perception research – a significant amount of research was carried out by our creative agency to establish the perception of the College amongst a range of stakeholders, including current students and local partner school students.

Marketing Communications

PR and Advertising

- The College maintained a very high level of public awareness through its PR activity during the year, targeting mainly local and regional press and radio. Key stories which gained exposure were College's Week activities, a new BYFA film, local and national hair competition winners and new campus progress. During the course of the year, nine radio interviews were broadcast locally on bulletins and live shows.
- Signal 1 Radio advertising was used on a consistent basis from August 2008 to March 2009 providing generic awareness of the College's 16-18 offering, as well as specific enrolment campaigns for adult and HE courses.
- Chronicle advertorials continued to be placed once every month, ensuring that the College was able to control some of the editorial messages going out during the year.
- The College website was refreshed visually and a new Employer Training section launched, which has resulted in increased requests for training and enquiries about Train to Gain funding. The website was also used to publicise new 'response to redundancy' initiatives, in conjunction with other marketing communications.
- Campus Chat e-newsletter continued to be mailed out five times during the year, to an audience of staff, alumni, student applicants and students.

Direct Marketing

The Live and Learn summer prospectus newspaper went out to 105,000 homes in summer 2008. This was further developed for summer 2009 and re-titled 'Be Outstanding', in line with the year's communication message.

New Year and Easter prospectuses were produced to promote the range of courses at the College for those two terms, in addition to a November 2008 supplementary mail shot for short courses in the pre-Christmas period.

Targeted direct mail was used to attract ESOL students to evening classes for the first time, resulting in increased uptake of courses in early 2009.

Adult Learners' Week was supported in late May with a range of Bitesize courses, publicised by direct mail to 45,000 homes in the Crewe area. As previously, many bookings were taken using the online booking system.

Events and Exhibitions

The Annual General Meeting Business Breakfast was held on 11 March 2009 at Rookery Hall, at which Erika Wenzel, Chief Executive of the new Cheshire East Council, gave a presentation about the changes resulting from the local government reorganisation.

A number of successful off site exhibitions were attended, including Nantwich Show, Crewe Carnival, Congleton Careers and Training Fair and Just the Job fair at Manchester Metropolitan University.

Employer Liaison

In August 2008 the College took the decision to move its LSC Train to Gain (TtG) contract for work based learning back from South Cheshire Enterprises Ltd (SCEL) into existing college operations. Allocated targets for TtG were reduced to £128,000 and this reflected the general reduction in national training budgets for work based training providers in both the private and FE sector.

The Employer Engagement team continued to respond by promoting work based training programmes with over 150 candidates being assessed on a range of NVQ programmes at Levels 2 and 3. Customer Services accounted for over a third of them, but for the first time, the Humanities and Applied Social Sciences faculty provided 34 Care related NVQs in the nursery care sector and the Applied Technology, Maths and Science faculty began delivery of 30 ITQs at Level 2 with Brunner-Mond and the Post Office.

Work based assessment and training for employers was carried out at the following high profile employer locations:

- Medica Packaging
- Seddon Estates
- Crewe and Nantwich Borough Council
- BMI Private Hospitals at Bolton
- Leighton Hospital
- Sibelco Minerals
- CBS Catering
- Brunner Mond
- Bentley Motors plc

The eligibility for TtG was widened to reflect redundancy within potential industries and in July 2009 the College launched a pilot programme with Bentley production staff for ITQ training worth in excess of £18,000.

In April 2009, the College was awarded an LSC contract for £135,000 for '6 months +' unemployed candidates in conjunction with Job Centre Plus (JCP), aimed at up-skilling or providing an introduction into new vocational training as a way back into employment. The funding is conditional upon demand and banded levels of retention. An early programme for 15 candidates took place in ECDL training, but demand is forecast to rise as local companies continue to shed labour throughout the 2009/10 academic year.

During the year, the College continued to take an active role in the Cheshire and Warrington Consortium of Colleges group for funding bids. It received a small contract worth £25,000 for engineering/automotive staff who would require support training in the event of redundancy. Local redundancies were experienced in the engineering sector over the summer of 2009, although take up of this support remained very low at July 2009.

The Employer Engagement team and the College approach to work based training has continued to make considerable growth in terms of training numbers and income generated as the College reviews its strategic position to this mode of training.

Schools Liaison

In September 2008, the College recruited 1,129 16 year old school leavers from 51 schools across Cheshire, into North Staffordshire and Shropshire. The staying-on rate in full-time education for 16 year olds is 84.3% for Cheshire East which is

above the national average and an increase on the previous year.

A comprehensive programme of over 200 events and activities was undertaken. Five Open Evenings and one Open Day attracted 1,214 potential students and their parents. The school links were further developed with the continuation of two major events – Primary College and Secondary College. Primary College involved 1,250 pupils from 32 local primary schools, taking part in a programme of over 30 different activities over three days. Secondary College attracted 610 year 10 pupils from four partner schools. The three day programme enabled the pupils and staff to sample three curriculum focused options from the College curriculum provision. Specific events took place to address the widening participation agenda, including Art, Languages, ICT, Media Hospitality and Catering events. Curriculum links continue to develop with a team of staff representing each faculty of the College working directly with schools.

Transport for Students

Operating procedures continued to be developed and routes reviewed to ensure that the services match the needs of the students. Approximately 900 students travel by coach each day and the College subsidises travel services to ensure equality of opportunity to study at the College, regardless of residence or personal circumstances. This policy has resulted in increased numbers from the county borders with Staffordshire and Shropshire in particular. Two free bus services operate from the north of Crewe, where transport routes to the College are not convenient. This encourages student participation from these areas. A Green Travel Plan has been developed following a transport assessment and actions to encourage staff and students to walk, cycle, use public transport or car share are being implemented.

Student Welfare, Health and Counselling

Health

During the 2008/09 year, the College retained Corporate Risk Systems to provide consultancy, training and support to the College. They also support the Health, Safety and Welfare Manager in the role of Competent Person for the College. All recommendations from the site re-audit have been undertaken.

Health and Safety is being pro-actively managed within each Faculty and Department, with middle managers having completed the IOSH Managing Safely course.

A key focus has been on staff training and development in health and safety management. The in-house staff development programme offered training in: Portable Appliance Testing, DSE Regulations, Risk Assessment, Manual Handling, use of Evac chairs, First Aid and Fire Stewardship.

A total of 613 clients were seen by the Health, Safety and Welfare Manager with regard to health related issues, slightly down on last year due to students seeing the Sexual Health Nurse who attends College twice a week.

Links were further strengthened with CAMHS (Child and Adult Mental Health Services), the local Primary Care Trust, district nurses, community physiotherapists and general practitioners in managing the health and attendance of staff and students.

The Health, Safety and Welfare Manager attended 13 case conferences in the community to help support students at College.

Welfare

Student Welfare continues to be a well utilised service within the College, offering a 'one-stop shop' of advice, guidance and information on a variety of issues such as accommodation, FE and HE funding and benefits advice. The team saw a total of 4,584 students and staff and delivered workshops on HE Funding and Student Advice to tutor groups and other groups across the College.

The Welfare team has been involved in promoting the take-up of Educational Maintenance Allowances (EMAs) and has undertaken liaison with year 11 students in feeder and other local schools, followed up by EMA advice clinics to ensure that eligible applicants receive up-to-date information. They have also been involved in managing a Learner Attendance and Absence Policy for all learners which also links in with the Financial Support Policy.

The LSC allocated £228,000 in Learner Support Funds, which provided financial support for over 564 students.

Counselling

The Counselling Service continues to provide a confidential service for students and staff at South Cheshire College. The service provides professional counselling for any individual needing help with





personal problems, in or out of college which are affecting their studies or general well being. In this respect it contributes towards the 'Every Child Matters' agenda in supporting students on health and well-being issues.

The Counsellors work closely alongside the Student Advisor in particular, supporting and assisting with general non-specialist queries on financial issues at busy times of the year.

In 2008/09, the Counselling Service continued to promote a number of health campaigns including displays linked to counselling-related issues.

These included:

- World Mental Health Day
- World Aids Day
- Contraception and Sexual Health Awareness
- Eating Awareness Week
- Wellbeing: Positive Steps to Good Mental and Emotional Health
- National Men's Health Week

The Counselling Service has also produced a number of Information Sheets. These are available to students and staff on the College website.

Presenting issues amongst clients overall are very similar to those of last year and numbers presenting in each category remain broadly comparable with small fluctuations. Anxiety/Stress/Panic Attacks are the largest area of client concern, followed by Relationship Issues and Depression/Mental Health.

It should be noted that 'Presenting Issues' are the difficulties which clients first describe, but it is often the case that more serious, hidden issues may emerge as a relationship of trust is established and these issues are therefore not reflected in the recorded figures. Some clients may also report several 'Presenting Issues' and therefore may appear under different categories.

Childcare

Starting Point Childcare Centre offers full day care from birth to 5 years, together with out of school and holiday clubs for children of commercial clients, staff and students.

At the end of August 2008 it relocated successfully to the former Edleston Road School premises, as part of the College's decant and new campus development strategy. Arising from a short closure and the relocation, bookings reduced initially for both the nursery (13,586 sessional bookings) and out of school provision (8,720).

The nursery was inspected by Ofsted in March 2009, and the quality and standards of the care and nursery education were judged as sound.

Human Resource Management

The College remains focused on its aim to be an employer of choice and received national recognition from The Sunday Times 'Best Companies to Work For' when it was awarded 1 star accreditation.

Human resources and staff development plans are integrated with overall college strategic aims. In 2008/09, the College awarded the Association of Colleges (AoC) nationally recommended pay rise. In addition, all eligible college staff received a discretionary bonus at the end of 2008.

The AoC framework is intended to enhance recruitment and retention and this is evidenced by few recruitment difficulties and a fall in staff turnover in the year. Recruitment plans are closely linked to the planned programme of courses and student numbers for the year.

There is an extended career pathway for lecturers in the role of Advanced Practitioner. The purpose of this role is to raise the standard of teaching and learning through exemplars and champions of excellent, varied and innovative teaching practice. There are seven Advanced Practitioners who work across the College so that good practice is shared in all faculties. Three Subject Learning Coaches have been nominated within the skills areas as defined by the Learning and Skills Improvement Service (LSIS) Standards Unit to be champions in their subject area.

During the year, the College employed an average of 364 full-time equivalent staff. This includes staff who are provided by contracting with Protocol National (PN) to allow greater flexibility for the supply of lecturers, learning mentors and invigilators.

Appreciating the importance of its staff, the College operates flexible and family friendly policies including Career Breaks, Requests to Change Working Hours and enhanced Maternity and Paternity provision. In addition, a pay policy and redundancy policy have been drawn up to ensure the College's practices and processes are clear and transparent. The College is recognised as an Investor in People and was re-accredited in October 2008.

The College demonstrates good employee relations, strengthened through the promotion of open communications, consultation with recognised Trade Unions and a Staff Forum. New members have been recruited to the Staff Forum with the aim of widening representation and overall consultation with staff. The Equality and Diversity Forum, comprising staff, students and stakeholders from the local community, meets to oversee the Equality and Diversity agenda and ensure appropriate policies and procedures are in place.

The College is proud that 100% of teaching staff possess or are working towards either the Certificate in Education or the Post Graduate Certificate in Education. It is also a requirement for associate staff to work towards a teaching qualification if not already achieved. All teaching staff have registered with the Institute for Learning. All staff are prepared for the new Common Inspection Framework and particular emphasis is placed on Initial Teacher Training. All participants on teacher training courses have subject specific mentors to support them in delivering high quality teaching and learning.

A Middle Managers Forum has been established to optimise the knowledge and experience of managers. Several working groups have undertaken projects to review a number of policies and college structures with recommendations made to the Senior Management Team. Some of these projects have been implemented and a new student data/faculty administrative structure has been put in place for 2009/10.

Performance Development Review and Probationary processes link individual objectives and development plans to overall college aims, thus enabling individual staff members to identify their contribution to the ongoing success of the College. All teaching staff will undertake a minimum of 50

Professional Advisors

Financial statement and regularity auditors:

KPMG LLP
Chartered Accountants
Registered Auditor
St James' Square
Manchester
M2 6DS

Internal auditors:

RSM Bentley Jennison LLP
5 Ridge House
Ridge House Drive
Stoke on Trent
ST1 5SJ

hours Continuing Professional Development (CPD). This will be 30 hours for support staff and pro rata for part-time staff. CPD can incorporate staff development and work experience opportunities e.g. placements with other colleges, schools, HE institutions, industry or commerce.

Ongoing development of systems and processes includes the installation of an upgraded Human Resources software system which has enabled the management of the annual leave requests and authorisation through the system and allowed managers to notify staff sickness on-line. This has improved evaluation and reporting mechanisms to ensure effectiveness of activities.

Equal Opportunities and Employment of Disabled Persons

To comply with legislative duties under the Equality Act 2006, the College has published, reviewed and updated its Gender Equality Scheme and Disability Equality Scheme and Race Equality Scheme with subsequent three year action plans. All schemes and plans are available on the Staff Information System (SIS) and on the College website.

The Equality Forum continued its proactive role by examining relevant issues arising under the Every Child Matters Agenda and legislative duties set to impact on the College community, such as the Impact Assessment procedures. The Forum continued its significant alliance with community members to continue to respond to local community needs such as the migrant worker population in Crewe.

The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

Disability Statement

The College published its first Disability Statement, in accordance with the Disability Discrimination Act (DDA) 1995, in December 1996. This is reviewed and updated annually. Adapted copies of the Disability Statement are available on request. The College seeks to achieve the objectives set down in the DDA 1995 as amended by the Special Education Needs and Disability Act (SENDA) 2001 and the DDA 2005. The College has published its Disability Equality Scheme in accordance with the DDA 2005 setting out our Disability Equality Duty.

The College offers good access for people with mobility difficulties. There is access to the Dane Bank buildings on the main campus, with ramps, lifts, disabled toilets and a medical room. There is car parking for people with disabilities directly outside the main entrance and further identified parking bays within the main car park. Learning Mentors are available to assist those students with learning difficulties and/or disabilities who require support with access to and from the College site. As part of the College's Accommodation Strategy, a local group representing people with physical disabilities conducted an accessibility survey in relation to college buildings and facilities. Further accessibility surveys have been undertaken; the results of which formed the basis of a bid to the LSC for funding of major capital projects aimed at improving access. These projects have now been completed.

The College has a variety of specialist equipment available to learners including an extensive range of assistive technology and a range of specialist facilities and resources available within the Learning Resource Centre.

The admissions policy for all students is described in the College Charter.

The College is continually looking to develop the service provided to its students and has made a significant investment in the appointment of specialist staff who are highly qualified and experienced in supporting students with learning difficulties and/or disabilities across a wide range

of courses throughout the organisation. There are also a number of Learning Mentors who provide support to meet the needs of the learner both in and outside of the classroom.

There is a continuing programme of staff development to update knowledge and skills and to ensure that the provision is of the highest standard and appropriate to the needs of those learners who have learning difficulties and/or disabilities.

Disclosure of Information to Auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation on 11 December 2009 and signed on its behalf by:



K E Lea
Chairman

Bankers:

Barclays Bank plc
Corporate Banking Centre
7th floor
1 Marsden Street
Manchester
M2 1HW

Solicitors:

Eversheds LLP
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Halliwell's LLP
The Plaza
100 Old Hall Street
Liverpool
L3 9TD



Financial Statements



JORDAN ROBERTS

MALBANK HIGH SCHOOL

TRAVEL AND TOURISM BTEC
NATIONAL DIPLOMA

"I absolutely love travelling and seeing new places which is why this course really appealed to me. I've been to a number of places including South Africa and the Caribbean and have also travelled in Europe so I've got the travelling bug. I'm learning a lot about travel destinations as part of my course and I would like to see more of the world whether it's as a holiday rep or working for an airline. I love the group I'm in and have made some great friends."

Consolidated Income and Expenditure Account

	2009	2008
	£000	£000
Income		
Funding council income	18,173	17,174
Tuition fees and education contracts	1,128	1,287
Other grants and contracts	-	-
Other income	1,837	1,707
Endowment and investment income	16	95
Total income	21,154	20,263
Expenditure		
Staff costs	13,813	13,808
Exceptional restructuring costs	-	-
Other operating expenses	5,208	5,111
Depreciation	998	1,179
Interest payable	310	57
Total Expenditure	20,329	20,155
Surplus on continuing operations after depreciation of assets at valuation and before tax	825	108
Loss on disposal of assets	1,107	-
(Deficit)/Surplus on continuing operations after depreciation of assets at valuation and disposal of assets but before tax	(282)	108
Taxation	-	-
(Deficit)/Surplus on continuing operations after depreciation of assets at valuation and tax	(282)	108
Transfer from accumulated income within specific endowments	-	-
(Deficit)/Surplus for the year retained within general reserves	(282)	108

The income and expenditure account is in respect of continuing activities

Consolidated Statement of Historical Cost Surpluses and Deficits

	2009	2008
	£000	£000
(Deficit)/Surplus on continuing operations before taxation	(282)	108
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	78	102
Release of revaluation reserve relating to the disposal of inherited property	938	-
Historical cost surplus for the year before taxation	734	210
Historical cost surplus for the year after taxation	734	210

Consolidated Statement of Total Recognised Gains and Losses

	2009	2008
	£000	£000
(Deficit)/Surplus on continuing operations after depreciation of assets at valuation and tax	(282)	108
Unrealised surplus on revaluation of fixed assets	-	-
Actuarial loss in respect of pension scheme	(3,436)	(942)
Total recognised losses since last report	(3,718)	(834)
Reconciliation		
Opening reserves and endowments	7,003	7,837
Total recognised losses for the year	(3,718)	(834)
Closing reserves and endowments	3,285	7,003





Balance sheets as at 31 July

	Group	College	Group	College
	2009	2009	2008	2008
	£'000	£'000	£'000	£'000
Fixed assets				
Intangible assets	2	-	3	-
Tangible assets	36,822	36,807	11,806	11,786
Investments	-	75	-	75
Total fixed assets	36,824	36,882	11,809	11,861
Endowment assets	-	-	-	-
Current assets				
Stocks	80	34	89	47
Debtors	7,339	7,393	605	532
Investments	-	-	-	-
Cash at bank and in hand	1,329	1,277	1,718	1,669
Total current assets	8,748	8,704	2,412	2,248
Less: Creditors – amounts falling due within one year	(6,727)	(6,661)	(1,598)	(1,487)
Net current assets	2,021	2,043	814	761
Total assets less current liabilities	38,845	38,925	12,623	12,622
Less: Creditors – amounts falling due after more than one year	8,682	8,682	288	288
Less: Provisions for liabilities	356	356	378	378
Net assets excluding pension (liability)/asset	29,807	29,887	11,957	11,956
Net pension (liability)/asset	(6,745)	(6,707)	(3,183)	(3,183)
NET ASSETS INCLUDING PENSION ASSET/(LIABILITY)	23,062	23,180	8,774	8,773
Deferred capital grants	19,777	19,777	1,771	1,771
Income and expenditure account excluding pension reserve	5,470	5,550	4,610	4,609
Pension reserve	(6,745)	(6,707)	(3,183)	(3,183)
Income and expenditure account including pension reserve	(1,275)	(1,157)	1,427	1,426
Revaluation reserve	4,560	4,560	5,576	5,576
Total reserves	3,285	3,403	7,003	7,002
TOTAL	23,062	23,180	8,774	8,773

The financial statements on pages 26 to 29 were approved by the Corporation on 11 December 2009 and were signed on its behalf on that date by:

Mr K E Lea
Chair

Mr P Swift
Principal

Consolidated Cash Flow Statement as at 31 July

	2009	2008
	£'000	£'000
Cash (outflow)/inflow from operating activities	(430)	1,656
Returns on investments and servicing of finance	(119)	15
Taxation	-	-
Capital expenditure and financial investment	(8,637)	(1,332)
Management of liquid resources	-	-
Financing	8,796	(219)
(Decrease)/Increase in cash in the year	(390)	120
Reconciliation of net cash flow to movement in net funds/ (debt)		
(Decrease)/Increase in cash in the period	(390)	120
Cash inflow from new secured loan	(9,095)	-
Cash inflow from liquid resources	-	-
Change in net funds resulting from cash flows	66	2
Movement in net funds in the period	(9,419)	122
Net funds at 1 August	1,193	1,071
Net funds at 31 July	(8,226)	1,193

Our auditors, KPMG LLP, have reported on these accounts and their report was unqualified.

The full set of accounts, which includes all explanatory notes, is available on request in writing to: Clerk to the Corporation, South Cheshire College, Dane Bank Avenue, Crewe, Cheshire, CW2 8AB.



JAMES MAHONEY

ST THOMAS MORE
HIGH SCHOOL

ENGINEERING BTEC
NATIONAL DIPLOMA

"I've been accepted into the army to be an electrician, so this course is giving me a good grounding for the skills I need. You get the chance to do a lot of electronic practical work, but it's also balanced out with theory work and assignments. This is proving to be a very useful qualification and I'm enjoying being here."





Members of the Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed below.

Name	Date of Appointment	Term of office	Status of appointment	Committees served
Mr K E Lea (Chair)	Initial member, reappointed 08/10/93, 23/07/97, 26/07/01, 21/07/05 and 24/07/09	4 years from 01/08/09	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Finance; Remuneration; Search (Chair); Campus Development (Chair)
Mr V Harris (Vice-Chair)	10/10/96, reappointed 23/07/97, 26/07/01, 21/07/05 and 24/07/09	4 years from 01/08/09	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Finance (Chair); Remuneration (Chair); Search; Campus Development
Mr J Bache	18/07/08, reappointed 24/07/09	4 years from 01/08/09	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Finance; Organisational Development (Chair from 01/08/09)
Mrs C Blanchard	29/03/07, reappointed 18/07/08	2 years from 01/08/08	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Organisational Development (to 31/07/09); Search (to 31/07/09); Remuneration; Quality and Standards (from 01/08/09); Audit (from 01/08/09)
Mr R Booth	16/01/09	to 31 July 2009	Student member	Quality and Standards
Mr P Bowie	12/12/08	to 31 July 2009	Student member	Quality and Standards
Dr D J Collins		Retired 31/07/09	Principal	Finance; Organisational Development; Quality and Standards; Search; Campus Development
Mrs J Dowell	21/10/03, reappointed 30/11/07	4 years from 30/11/07	Staff member (non-teaching)	Organisational Development (to 31/07/09); Quality and Standards
Mr J Dwyer	22/03/01, reappointed 17/03/05 and 27/03/09	4 years from 01/04/09	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Campus Development; Organisational Development (Chair) (to 31/07/09); Finance (to 31/07/09); Search (from 01/08/09); Quality and Standards (from 01/08/09)
Mr F Ellison	18/07/08, reappointed 24/07/09	4 years from 01/08/09	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Audit (to 31/07/09); Quality & Standards (Chair from 01/08/09); Finance (from 01/08/09)
Mr G Fyffe	9/12/05, reappointed 30/11/06	4 years from 09/12/06, resigned 21/04/09	Nominee of Cheshire County Council	Audit; Organisational Development
Mr T Howard	03/12/09	to 31 July 2010	Student member	Quality and Standards
Mr R Jones	25/01/08, reappointed 27/11/08	4 years from 25/01/09	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Organisational Development; Audit (from 01/08/09 and Chair from 09/12/09)
Mr U Koch	24/07/09	1 year from 01/08/09	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Organisational Development
Mrs L Izan	24/07/09	1 year from 01/08/09	Staff member (teaching)	Finance (from 01/08/09)
Mr C Lamont	22/05/08	to 31 July 2008	Staff member (teaching)	Audit; Quality & Standards
Ms K Newbould	03/12/09	1 year from 09/12/09	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Organisational Development
Mr D Roddis	03/12/09	to 31 July 2010	Student member	Quality and Standards
Mrs M Simon	23/05/02, reappointed 24/07/03, 19/07/07 and 18/07/08	4 years from 01/07/08	Member appointed in accordance with clause 2(1)(a) Instrument of Government	Remuneration; Campus Development
Mr P Swift	01/08/09		Principal	Finance; Organisational Development; Quality and Standards; Search; Campus Development
Dr S Utting	06/12/01, reappointed 9/12/05	4 years from 09/12/05, retired 08/12/09	Business member	Quality and Standards; Audit (Chair)
Prof T Wheeler	20/03/02, reappointed 30/3/06	4 years from 30/03/06	Co-opted member	
Mr S Yates	02/12/99, reappointed 11/12/03 and 30/11/07	4 years from 03/12/07	Co-opted member	Quality and Standards (Chair) (until 31/07/09); Remuneration; Audit (from 01/08/09)



Clerk to the Corporation: Ms Evelyn Davies-Jones

Mr G Martin served as a member of the Audit Committee from 30 November 2000 to 21 September 2009. Mr Martin is not a member of the Corporation.

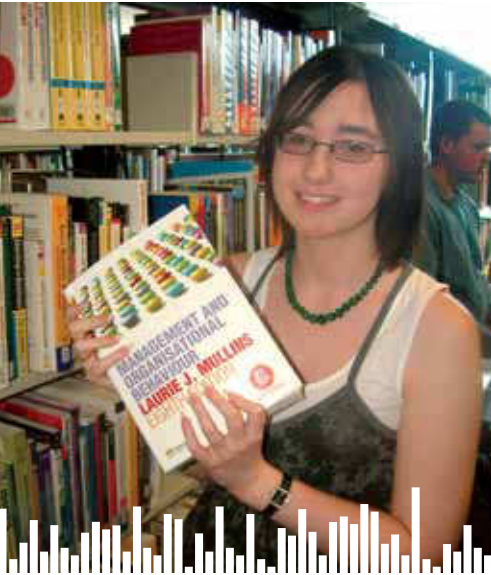
Mr P Swift, Deputy Principal and Director of Studies until 31 December 2008 and Principal Designate from 1 January 2009, was appointed by the Corporation on 19 July 2007, to serve as a member of the Search Committee as from 1 August 2007. Mr Swift became a member of the Corporation on 1 August 2009.

Ms K Newbould served as a member of the Organisational Development Committee from 12 December 2008. Ms Newbould became a member of the Corporation on 9 December 2009.

Mr J Atkinson served as a member of the Audit Committee from 3 December 2009. Mr Atkinson is not a member of the Corporation.



Statement of Responsibilities of the Members of the Corporation



VICTORIA MORRIS

SIR WILLIAM STANIER
HIGH SCHOOL

BUSINESS BTEC
INTRODUCTORY DIPLOMA

"I did a FEAT ASDAN course in business here and decided I wanted to carry on and do another course in the business area. I'm not sure what to do next but this course has been very enjoyable. The tutors have been helpful and everyone gets on well."

The members of the Corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the LSC and the Corporation of the College, the Corporation, through its Principal, is required to prepare financial statements for each financial year in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions and with the Accounts Direction issued by the Learning and Skills Council and which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements, the Corporation is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The Corporation is also required to prepare a Members Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College, and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the LSC are used only in accordance with the Financial Memorandum with the LSC and any other conditions that the LSC may prescribe from time to time. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the LSC are not put at risk.

Approved by order of the members of the Corporation on 11 December 2009 and signed on its behalf by:

K E Lea
Chairman

Statement of Corporate Governance and Internal Control

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the revised Combined Code on Corporate Governance issued by the London Stock Exchange in July 2006. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the governors, the College complies with all the provisions of the Combined Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2009.

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed on page 30.

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are finance and general purposes, audit, organisational development, remuneration, search, quality and standards and campus development. Agendas and non-confidential minutes of the meetings of the Corporation and its committees are available from the Clerk to the Corporation at South Cheshire College, Dane Bank Avenue, Crewe, CW2 8AB.

The Clerk to the Corporation maintains a register of financial and personal interests of the governors and members of staff having significant financial responsibility. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman and Principal are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a search committee, which is comprised of not less than four members of the Corporation including the Chairman, Vice Chairman and Principal and which is responsible for the selection and nomination of any new member for the Corporation's consideration other than staff and student members who are nominated and elected by staff and students respectively. The Corporation is responsible for ensuring that appropriate training is provided as required.





JAMES GRAYSON- ALLCOCK

MALBANK HIGH SCHOOL BRICKLAYING

"I was doing a bit of part-time bricklaying and thought it would be useful to come to college and get more skills so I can go into the building trade full time. I'm learning lots of different things on the course including brickwork, blockwork and key skills. This is a one year course but I may stay on at college to do another bricklaying programme because this has been good fun and I've made some good mates."

Members of the Corporation are appointed for a term of office not exceeding four years.

Remuneration Committee

Throughout the year ending 31 July 2009, the College's remuneration committee comprised not less than five members of the Corporation including the Chairman and two other business members but excluding the Principal. The committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and other senior post holders and the clerk.

Details of remuneration for the year ended 31 July 2009 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprised five members at the commencement of the year, four of whom were members of the Corporation (excluding the Chairman and the Principal and those with executive responsibilities for the College at a senior level) and the fifth of whom was co-opted by the Corporation from a local firm of chartered accountants. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the LSC as they affect the College's business.

The College's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Corporation on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work.

Internal Control

Scope of Responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material mis-statement or loss.

The Corporation has delegated the day to day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between South Cheshire College and the LSC. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Cheshire College for the year ended 31 July 2009 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2009 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, financial regulations and administrative procedures, including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body.
- Regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- Comprehensive Financial Regulations detailing financial controls and procedures approved by the Audit Committee and Finance Committee.
- The adoption of formal project management disciplines, where appropriate.

South Cheshire College has an internal audit service, which operates in accordance with the requirements of the LSC's Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

South Cheshire College contracts out provision of an internal audit service to RSM Bentley Jennison who were reappointed in March 2003 and in May 2009. This work concentrates on areas of key activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan approved by the Corporation. The internal auditors report to the Principal and the Audit Committee on a regular basis and have direct access to the Chair of the Audit Committee. The internal auditors have issued an assurance statement to the Corporation which provides their

opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- The work of the internal auditors.
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework.
- Comments made by the College's financial statements auditors and the regularity auditors in their management letters and other reports.

The Principal has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its 24 July 2009 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2009 by considering documentation from the senior management team and internal audit and reassessing risks for the 2009/10 Risk Register. In November 2008 the Audit Committee received the fifth Risk Management Annual Report with any issues arising being taken to the corporation meeting in December 2008.

Going Concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 11 December 2009 and signed on its behalf by:

K E Lea
Chairman



P Swift
Principal & Chief Executive





Students of the Year 2008/2009

Applied Technology, Maths and Science



KASIA PIEKARZ **INFORMATION TECHNOLOGY**

Kasia moved to the UK with her family five years ago and attended St Thomas More High School. She came to Secondary College and showed great aptitude in that session, despite hesitancy with her English. She joined the BTEC National Diploma course in IT, where she worked hard on her language skills and produced high quality work from the start of the course. She continued to demonstrate great

determination and a high skill set throughout the course and achieved a grade of DDD (distinction) with the highest points score available on the BTEC qualification. Kasia is now studying Forensic Computing at the University of Bristol. Rachel Bromley, Head of IT, said: "Kasia was an excellent student and fully deserves this award."

Business, Hospitality, Leisure and Tourism



DEBBIE POWNALL **SPORT AND LEISURE**

Debbie was an exceptional student on her BTEC National Diploma in Sports Development and Fitness. She gained 18 units, all at Distinction Level, which was a fantastic achievement and, in addition to this, she took additional coaching qualifications and did voluntary sports coaching. She always

helped other students out with their work and was an excellent member of the group. Graham Coffey, Sports Lecturer, said: "Debbie showed great motivation and teamwork skills on the course. She was a model student and fully deserved the student of the year award."

Creative and Applied Arts



CAMERON ALEXANDER **PHOTOGRAPHY**

Cameron produced work of the highest quality during his time at South Cheshire College on the BTEC National Diploma in Photography course. He started to produce some very strong work towards the end of his first year, but was unsure whether he would be able to continue into the second year. Thankfully, he returned and he was soon being

sponsored by an unknown benefactor in the USA to upgrade his photographic site where his talent was recognised. Tutor Phil Farrington said: "Cameron's work was exceptional. His images are very personal and he explores his friends and family and portrays them in a very evocative way. He fully deserves the student of the year award."

Humanities and Applied Social Science



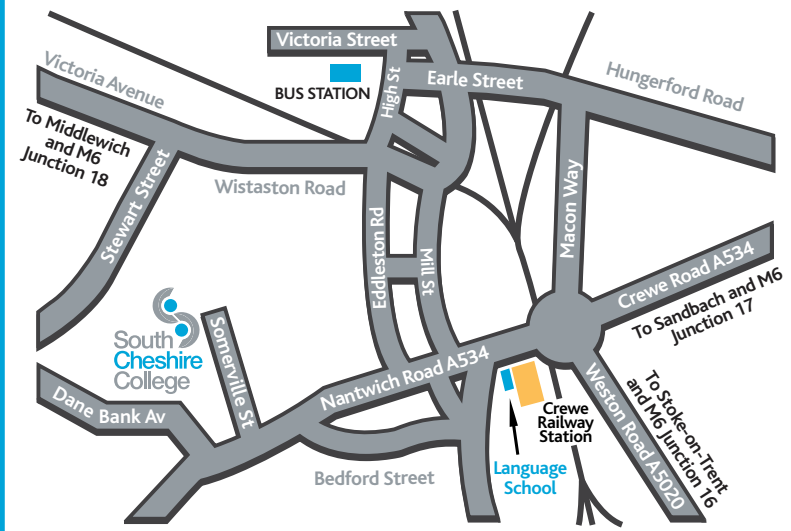
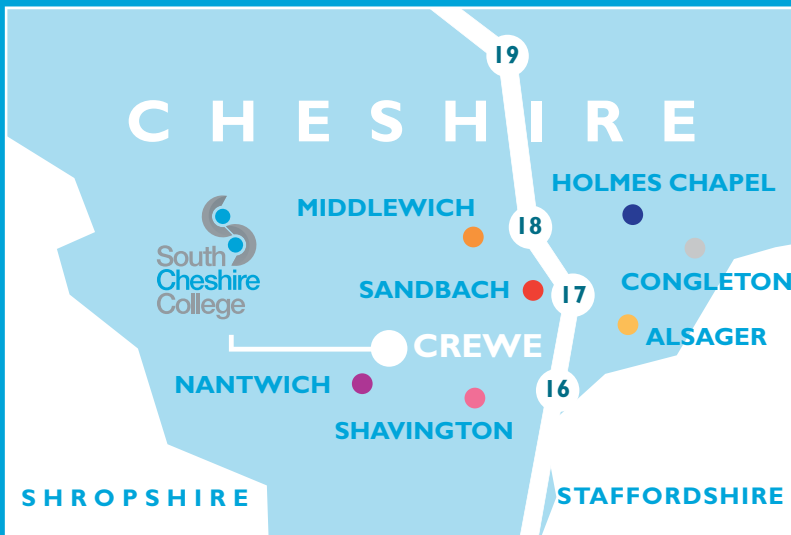
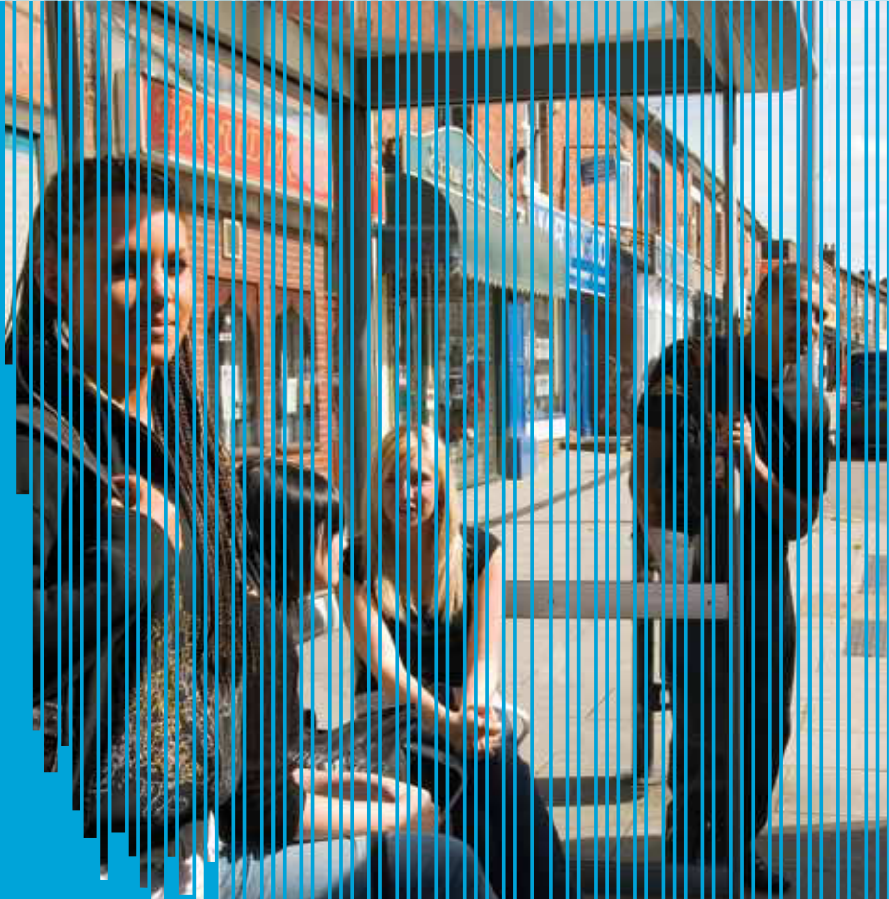
ESTELLE JOHNSON **ACCESS TO HIGHER EDUCATION**

Estelle was a student representative on the Access course and took her role very seriously by attending every meeting and provided good support for the other students. She was well motivated, worked very hard with her assignments and always handed them in on time. She managed her time well during work

experience as well as the course and looking after her family. She is currently at Chester University studying children's nursing which is highly competitive. Carolyn Oliver, Access Course Tutor, said: "Estelle was a fantastic student throughout the Access course."

How to Find Us

Situated in Dane Bank Avenue, Crewe, South Cheshire College is ideally positioned for easy access. It is on most major bus routes and is less than 15 minutes walk from the mainline Railway Station at Crewe. Junction 16 of the M6 motorway is only 15 minutes drive away and Manchester International Airport is 45 minutes away by road or rail. When leaving the M6 Motorway at junction 16 or 17 follow the signs to Crewe, pass Crewe Railway Station on the left and the College is 1 mile along Nantwich Road, turn right into Dane Bank Avenue.





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