



**MINUTES OF A MEETING OF THE CORPORATION**  
**4.00PM, TUESDAY 9 MAY 2023**  
**Held in the Pengelly Room, Main House**

<b>Members :</b>	*Richard Barker; *John Bullen; *Hannah Crocker; *Andrew Davies(Apologies); *Alana James; *Dan Knight; *Robert Lasseter (Chair); *Graham Ledden; *Annetta Minard; *Nicola Newman (Apologies); *Luke Rake (Principal); *Kay Taylor; *Debs Thomas; Richard Williamson
<b>In attendance:</b>	*Tom Hallam (Deputy Principal); *Julian Tucker (Chief Finance Officer); *Nicky Porter (Assistant Principal (Student Experience & Progression); *Vanessa Gifford (Apologies) (Clerk); *Wendy Cunningham (Deputy Clerk)

ITEM NO.	DETAIL	
1.	<b>DECLARATIONS OF INTEREST</b>  There were no declarations of interest <b>NOTED</b> .	
2.	<b>APOLOGIES AND NOTICES</b>  Apologies for absence were received and <b>NOTED</b> from Andrew Davies, Nicola Newman and Vanessa Gifford.	
3.	<b>MINUTES OF THE MEETING HELD ON 28 MARCH 2023</b>  The minutes were <b>APPROVED</b> as true and accurate record with minor amendments noted, to change the word ration to ratio on page 3 and to move the note of when the two Governors left the meeting early to item 19 as they were present for all the previous items.  The non confidential minutes were APPROVED for publication on the web site.	
4.	<b>MATTERS ARISING FROM MINUTES</b>  The Corporation <b>NOTED</b> the following actions from the minutes; <ul style="list-style-type: none"> <li>• The RSPCA lease extension has been completed</li> <li>• The Principal has shared a briefing note on emergency funding and its impact</li> <li>• The FEC Stocktake recommendations have been shared with members and are on the agenda of this meeting for discussion</li> <li>• The CFO will ensure that the fee for the VAT consultant would be identified as an exceptional item in the April accounts with additional narrative provided as necessary</li> <li>• The Chair of A&amp;A will share the information received from the internal auditor relating to the definitions for the RAG rating on the Board Assurance document</li> </ul>	
5.	<b>THE STUDENT VOICE</b>	

	<p>The Corporation <b>NOTED</b> the Student Governor's report which highlighted that the Student Voice is now using a locked channel on TEAMS so it can be more active and have better communication.</p> <p>Plumbing and Electrical issues have been flagged by students particularly in Courtyard Classrooms and Sticklefords.</p> <p>The strength of the Wi Fi is poor particularly in the area around the Equestrian Centre.</p> <p>The Principal thanked the Student Governor for bringing these issues to the attention of SMT and confirmed that the heating in Sticklefords has now been repaired and that the Wi Fi is gradually being replaced across campus. The Principal will ensure that any plumbing issues have been dealt with.</p>	LR
6.	<p><b>PRINCIPAL'S REPORT</b></p> <p>The Corporation <b>RECEIVED</b> the Principal's Report which provided updates on: <b>FINANCE, STRUCTURAL CHANGE AND FEC, COMMERCIAL, VAT, APPRENTICESHIP CLAWBACK, STUDENT EVENTS, THE ESTATE AND THE GREAT SOUTH WEST</b></p> <p><b>FINANCE, STRUCTURAL CHANGE AND FEC</b></p> <p>The Principal confirmed that the College is working through merger proposals with the FEC and that the FEC have asked Weymouth and Sparsholt Colleges to submit new proposals based on the SPA process formula. These proposals need to be completed by mid June in order for the FEC to make a recommendation. SMT will need to work closely with both colleges to support these applications and the workload will be significant.</p> <p>The FEC Stocktake process is continuing alongside the SPA process and the Chair confirmed that he had recently had a meeting with the FEC to prepare for the Stocktake this week. At the meeting the FEC confirmed that Cornwall College were no longer interested in proceeding with a merger proposal and that KMC would be involved with the bids this time.</p> <p>There will be some financial support available to SMT to undertake the additional work involved with the bids either by using a consultant or taking on temporary staff if required to support the day to day functions of the College during this process. The need for support will be for SMT to define and put in place as required.</p> <p>The key points to complete this process were noted as follows;</p> <ul style="list-style-type: none"> <li>• A timeline/Gant chart is needed to ensure that the process is thorough and not rushed.</li> <li>• Information will need to be shared with both Colleges and they will require access to the Principal.</li> <li>• Any possible reputational risk for Corporation members needs to be carefully considered and advice should be taken from either external auditors or Eversheds to ensure this does not arise. This has been discussed with the ESFA who have said that it is highly unlikely that the College will not be supported.</li> <li>• The Principal confirmed that NDAs are already in place and will share them with members. An updated NDA option is available if required.</li> <li>• The link with DSS is important and key to the success of the College. AM agreed to prepare a report in support of the process and will discuss this in more detail with the Principal.</li> </ul>	<p>LR/JT</p> <p>LR</p> <p>LR/AM</p>

	<ul style="list-style-type: none"> <li>The FEC recommendations are all being completed and these will be discussed with them at their meeting this week</li> </ul> <p><b>APPRENTICESHIP CLAWBACK</b></p> <p>The FEC have informed the Chair that an additional clawback following a second audit will be forthcoming and this will be in the region of £400k. This clawback was expected but the amount was unknown. The A&amp;A Committee have been aware of this for some time and it has been discussed at previous meetings. The College put procedures in place to improve the apprenticeships following the audit but this second audit was for students who had not completed the following year and as the audit is undertaken in arrears it had not been completed at that time. The Corporation and SMT did everything possible to stop these issues as soon as they could. It was noted that other Colleges are also receiving clawbacks some much larger than KMC.</p> <p><b>CURRICULUM</b></p> <p>The Landex Peer Review recently took place with the Vice Principal of Plumpton College and a member of Landex. The feedback was very positive and helpful. KMC staff were described as passionate, motivated and ambitious. The quality of education at the College is very high.</p> <p><b>STUDENT EVENTS</b></p> <p>The College won the Best College Garden and a Platinum award at the recent Gardeners World event held at Beaulieu. The garden was designed by a student which demonstrates how students are successfully trained for employment.</p> <p>Southampton University Archaeology students recently stayed on site and undertook several surveys which revealed some interesting Iron Age and Roman structures. Further explorations will be undertaken in the future using ground penetrating radar.</p> <p><b>OTHER POINTS</b></p> <p>The Principal is meeting with the solicitors this week to finalise some issues relating to the sale of the Cottage. Completion should take place within two weeks once exchange of contracts has taken place.</p>	
7.	<p><b>STRATEGIC DISCUSSION</b></p> <p>Included above</p>	
8.	<p><b>FEC RECOMMENDATION TRACKER</b></p> <p>The Corporation <b>NOTED</b> the actions recorded on the FEC Recommendation Tracker report which shows all progress on all actions and new actions in bold. This document is shared with the FEC.</p>	
9.	<p><b>ACCOUNTABILITY STATEMENT</b></p> <p>The Accountability Statement is a new document required by the DfE and is required as a condition of funding. The document records curriculum outcomes which are aligned to the LSIP and the targets and key aims for the year. There is a framework to work with and the document will be circulated on GVO for Board approval before the deadline of 31 May.</p>	TH

10.	<p><b>PARTNERSHIP REPORT</b></p> <p>The Corporation <b>RECEIVED</b> the Partnership Report and the Deputy Principal confirmed that the OFS and validation partners have been kept fully informed of the current financial situation.</p>	
11.	<p><b>ESTATE COMMITTEE</b></p> <p>The Chair of the Estate Committee provided a verbal update on the meeting held on 24 April 2023. Key points discussed were as follows;</p> <ul style="list-style-type: none"> <li>• GSHP – This was discussed in detail under item 12.</li> <li>• The farm discussions focused on the use of the dairy and it was concluded that the dairy could be re-furbished and still be maintained as an adequate teaching resource. This work can be undertaken by existing capital resources.</li> <li>• Commercial – The presentation by Shaun Gomm had been reviewed by the Committee and centred on the opportunities available to increase profitability on commercial income within KME and including increased pricing structures for weddings which have already been introduced.</li> </ul>	
12.	<p><b>FINANCE &amp; RESOURCES COMMITTEE</b></p> <p>The Corporation <b>NOTED</b> the Management Accounts to 31 March 2023 and discussed the following in detail;</p> <p>The costs associated with the GSHP were discussed at length. The contract with the electricity supplier, EDF, is being re-negotiated as a matter of urgency to reduce the price per KWH. Issues relating to the lack of control panels in place are being discussed with the contractor, Rendesco. This was a very challenging project with multiple contractors involved. The Corporation had a full and frank discussion and it was noted that this is a significant issue. The College should have full accountab and the Principal and the CFO will provide an update on the costs involved with this project in comparison to the costs saved, the lessons learned and the rationale behind it through the A&amp;A Committee. The College needs to be mindful of any capital clawback if considering the decommissioning of the system. SMT have been tasked with finding a workable solution before the winter period.</p> <p>The cashflow is deteriorating over the next few months, discussions are being held with the ESFA and emergency funding of £2.2m has been requested. In the short term the College is seeking permission from the ESFA to utilise capital funds from the sale of land and the Cottage amounting to £625k. NatWest bank have been contacted and have agreed to lift the covenant on the funds set aside for the clawback provision, subject to a letter of comfort from the ESFA.</p> <p>Some concern was noted that the capital funds would be utilised in this way as they would no longer be available for future use.</p> <p>The Principal and CFO will prepare a file note to ensure that it is recorded that the use of this funding was instigated by the ESFA. The Corporation noted that even by utilising the cash as outlined above the College will still be in an overdraft situation of £-66k at the end of July.</p> <p>The CFO was thanked for a very clear and concise report.</p> <p>The Fees policy was <b>APPROVED</b> as recommended by the F&amp;R Committee.</p>	<p>LR/JT</p> <p>LR/JT</p>

	The letter from the ESFA relating to the KMC Financial Statements Review 2020/21 was <b>NOTED</b> .	
<b>13.</b>	<b>RISK MANAGEMENT</b>  The Corporation agreed that the more detailed Committee discussions on risk management issues was working well and providing a more informed view. DK will be circulating the definition of board assurance RAG rating received from the internal auditor with some explanatory information.	<b>DK</b>
<b>14.</b>	<b>ANY OTHER BUSINESS</b>  The Head of Fundraising at Bournemouth University has offered to provide some advice on Alumni regulations and pitfalls. The Corporation agreed that the Principal should invite her to attend a 4pm session at a future meeting.	<b>LR</b>
<b>15.</b>	<b>2022/23 MEETINGS</b>  The date of the next meeting was noted as 11 July 2023.	
<b>16.</b>	<b>ESTATE COMMITTEE EXTERNALLY CONFIDENTIAL ITEMS</b>  This item was minuted confidentially externally, all members remained in the meeting for the discussion.	
	<i>The meeting closed at 18.20 with no further business</i>	

**APPROVED** 11 July 2023