



**MINUTES OF A MEETING OF THE CORPORATION
5.30PM, TUESDAY 5 MARCH 2019, in the Pengelly Room**

Members :	*Tom Amery; *Richard Barker; Margaret Capon; *Michael Clarke; *Hannah Crocker; *Andrew Davies; *Andy Foot; *Robert Lasseater; *Annetta Minard; *Ben Murphy; *Vicky Prior; *Luke Rake (Principal); Andrew Robinson; *Andy Stillman; *Adrian Stuart; *Elaine Taylor (Vice Chair); *Bethany Thompson (FE Student Governor); *James Tirrell (Chair); *Linda Wyatt
In attendance:	*Richard Bourne (Co-opted Member F&R Cttee (Observer)); *Chris Pedder (Deputy Principal (Finance & Corporate Services)); *Vanessa Gifford (Clerk)

** Indicates actual presence at this meeting (Quorum = 8 Corporation Members)*

ITEM NO.	DETAIL
	The Corporation RECEIVED a strategic update prior to the meeting on Apprenticeships by Luke Rake, the Principal, and Chris Pedder, the Deputy Principal (Finance & Corporate Services).
1.	DECLARATIONS OF INTEREST There were no declarations of interest NOTED .
2.	APOLOGIES AND WELCOMES Apologies were RECEIVED and NOTED from Andrew Robinson. Richard Bourne, Co-opted Member for the F&R Committee was welcomed to the meeting as an Observer.
3.	MINUTES OF PREVIOUS MEETINGS The Corporation APPROVED the minutes of 4 December 2018 as a true and accurate record, and APPROVED the non-confidential minutes for website publication.
4.	MATTERS ARISING FROM THE MINUTES The following matters were NOTED : <ul style="list-style-type: none"> • The LEP document 'Horizon 2038' had been uploaded to GVO. • Letter of thanks had been sent to the Wedding and Horticulture Teams. • The Principal had reviewed the wording within the HR Strategy and the document had been uploaded to GVO. The Principal thanked those members who had sent in comments. • The Chair of the Q&S Committee advised that the Enrichment Programme was being monitored by the Committee, and an initial report had been received at the last meeting.

<p>5.</p>	<p>RATIFICATION OF ELECTRONIC DECISIONS</p> <p>The decision to appoint Oliver Symons as Deputy Principal (Learning & Performance) was RATIFIED.</p> <p>The Chair outlined the reasons behind the recommendation of the Search & Governance Committee to appoint further Co-opted members to the Corporation, which were NOTED as:</p> <ul style="list-style-type: none"> • The Corporation was losing two experienced Members in a year's time • It had not always been easy to appoint appropriate members, and to keep the right skills balance on the board. • The FE Commissioner was making it clear that he recommended two members with financial experience. • Whilst two keen volunteers, with the appropriate skills and experience, had come forward, the Committee was keen to retain their interest to ensure succession of skills, experience and continuity. <p>The decision to appoint Richard Bourne a Co-opted Member of the Finance & Resources Committee was RATIFIED.</p> <p>The decision to approve the Role Description for a Co-opted Member was RATIFIED.</p>	
<p>6.</p>	<p>PRINCIPAL'S REPORT</p> <p>The Corporation RECEIVED the Principal's Report which provided updates on:</p> <p>Overview; Strategic update; Strategic Working Groups; Teaching, Learning and Assessment Update; Principal's Diary</p> <p>Further additional points were NOTED as follows:</p> <ul style="list-style-type: none"> • The Principal reported that student applications for 2019/20 were currently 14% up from the previous year, however they had to convert to enrolments. If numbers remained positive the additional funding would be mitigation for the foreseeable challenges. • The Principal was pleased with the appointment of the new Deputy Principal (Learning & Performance) and confirmed that he was able to join the Corporation at its Strategy Day at Strode College. He added that the appointee had national recognition and would be able to provide an insight into the sector as a whole. • It was noted that there was an increasing number of staff who were looking to progress and were taking part in the current 'Aspiring Managers' training which the SMT had developed. To assist with progression, the SMT was hoping to implement Deputy Head of Department roles in the near future. • The College Masterplan was nearing completion but a response from Historic England was still awaited. All other feedback had been largely positive. • The Principal invited the Principal of the Dorset Studio School (DSS) to report the good news that the recent bid to admit Years 7 and 8 to the DSS had been successful. A variation to the Admissions Policy had been agreed at the same time so younger students could now be enrolled from September 2019. It was noted that the consequences of this would remove the issues around competition for Post 16 students between KMC and DSS, and would see a clear progression route 	

	<p>through to Degree level on the campus. The DSS Principal advised that she would provide transition arrangements for the few students that were currently undertaking Post 16 courses and the school had not proactively enrolled to this area during the consultation for the bid. The Principal suggested that this was good news for both organisations and would be a unique offer, and of national importance, although would bring challenges with younger and more students on the site. The College would have to put more focus into Level 3 provision as this would be the entry level for most DSS students and standards across the College would have to be raised to ensure stretch and challenge. It was acknowledged that the nature of the students at the DSS had changed with the shifting perception of the school, and would give a strong baseline for entry to KMC, although this would make Value Added difficult. It was noted that the senior teams of both organisations met regularly to ensure good working relationships. The Principal advised that all staff at KMC had been informed at a Staff Briefing the previous day, attended by the DSS Principal.</p> <ul style="list-style-type: none"> The Principal advised that future funding from the LEP had been agreed, with £1.5m ring-fenced for skills in colleges which was effectively the 'maintenance grant' that had been regularly allocated under the SFA. It was noted that £300k had been awarded to Stewarts Garden Centre, who were pleased to partner with KMC, and would give a horticultural footprint in the east of the county. It was also noted that the Principal had been invited to become a full board member of the LEP. <p>Staff Survey</p> <ul style="list-style-type: none"> The Principal considered the results to be the correct direction of travel, although there were fewer respondents, but he suggested that this could mean that staff were content despite the difficult financial environment. It was noted that staff considered the SMT to be approachable, although the number of staff finding their line managers approachable had declined. It was suggested that this could be due to managers now managing more robustly. The Principal advised that there were no benchmarks available but trends would be monitored annually. <p>Equality & Diversity Recruitment Report</p> <ul style="list-style-type: none"> The report was NOTED, with the Principal advising that the College staff were more diverse with a younger profile applying for jobs, however there was a challenge with the Gender Pay Gap. An event had recently been held in the LRC, 'Equalitea' which had celebrated LGBT week. It was agreed that good progress had been made and HR was monitoring well. It was suggested that a demographic breakdown of gender by role would be useful and the Principal agreed to investigate, along with salary split by Gender and this would be reported to the Q&S Committee in due course. Members questioned the 'withdrawals following offer' and the Principal advised that there was no particular trend, but may be down to pay. 	LR
7.	<p>THE STUDENT VOICE</p> <p>The FE Student Report was NOTED, with the following additional points:</p> <ul style="list-style-type: none"> It was noted that the Student Council was declining in numbers and 	

	<p>therefore it was being reinvigorated by focusing on a community project, rather than anything on the academic side which could deter students.</p> <ul style="list-style-type: none"> • The Principal reported that Rugby was proving popular and work to provide a KMC pitch would soon come to fruition. Members questioned whether work with Dorchester Town Football Club was ongoing and the Principal advised that the College did make use of the 3g pitch every week. It was agreed that extra-curricular activity was what students remembered of their time at college and a fine balance had to be found between this and the academic work. Growth of the enrichment programme was a positive step forward but was a challenge balancing between the timetable and transport. • The Student Governor was thanked for her comprehensive report and the Principal also thanked all students for their assistance at the lambing open weekend, and their ongoing support with lambing. 	
8.	<p>STAFF GOVERNOR TRAINING</p> <p>The report from the recent Staff Governor Conference was NOTED, with the following additional points:</p> <ul style="list-style-type: none"> • The 'Love our Colleges' campaign was ongoing to highlight the requirement for appropriate funding for colleges. • It appeared that mergers rarely achieved financial benefits and currently 30-40% of colleges had financial intervention from the FE Commissioner or the ESFA. • The comments regarding the Ofsted Staff Survey were noted. • The update on T Levels was noted. • It was noted that there was legal work to be undertaken on pensions, with some colleges looking at alternative provision, especially with the increase in Teacher Pension contributions only currently being funded in the first year. <p>The Chair thanked the Staff Governor for her attendance at the Conference and was pleased she found it useful. He added that he had attended the AoC SW Governance Seminar the previous week, along with another member and the Clerk, and had found it to be a good session. He encouraged all members to attend events when they were able.</p>	
9.	<p>FINANCIAL REPORT TO 31 JANUARY 2019 (Management Accounts)</p> <p>The Financial Report to 31 January 2019 was SCRUTINISED and the following points NOTED:</p> <ul style="list-style-type: none"> • Based on the latest position at the end of January 2019 the current projection, excluding FRS102 adjustments, was an operational surplus of £75K. It was noted that this was after a large part of the original contingency had been utilised and the reduction of non-pay budgets by £75K. • The decline in income related to reduced Apprenticeships and Tuition Fees as previously reported. • The Corporation was pleased that an overdraft facility had not been utilised, however this was being carefully managed due to the funding mechanism of the ESFA. • It was reported that £50K of the original contingency was still intact but the financial position was being closely monitored noting that many colleges who had previously been 'Good' now had financial problems. 	

	<ul style="list-style-type: none"> It was noted that the commercial areas were strong. The Deputy Principal (Finance & Corporate Services) had taken over management of the Hospitality Team and was encouraging the team to look at margins to ensure profitability and this was now developing. Non-Pay currently exceeded the budget due to the increased business, but purchases would be deferred when possible. 	
10.	<p>FINANCE & RESOURCES COMMITTEE</p> <p>The Chair of the F&R Committee drew the Corporation's attention to recent publicity around the financial and governance issues at Hadlow College and highlighted the importance of good governance and financial management.</p> <p>It was NOTED that the following papers had received full scrutiny by the Finance & Resources Committee, with the recommendations, additional points, and further actions set out below:</p> <p>Annual Treasury Report</p> <p>The Annual Treasury Report was NOTED, and the Chair of F&R reported that the Committee had also discussed the utilisation of the Main House.</p> <p>The Corporation considered the recommendation of the Committee to sell 3 Maurward Close, as a non-educational asset, to top up the reserves and ensure sufficient cashflow. The following points were NOTED during the discussion:</p> <ul style="list-style-type: none"> Members questioned whether this was the optimum time to sell the property. The Principal and Deputy Principal (Finance & Corporate Services) (SMT) advised that for the security of the College their recommendation was to sell the property. The future was unknown and if the bank covenants were breached the College would come under the watchful eye of the ESFA and the FE Commissioner. It was noted that the pattern of headroom for cashflow was slowly declining and the College could be in an overdraft position at this time next year. Members questioned whether the College was in decline and the SMT advised that there had been a fundamental decline in income for the last eight years and the potential commercial growth was in the College's hands but with no cash it was impossible to grow. It was agreed that when the previous two properties were sold there was no choice, and now this third sale would allow the College to grow and look to the future. The Principal considered that the profile of the College was rising, with opportunities and this needed to continue, and the liquidation of an asset would enable this. It was agreed that the sale of an asset was a difficult decision but in a few month's time the College may not have a choice. Some members questioned whether an open market valuation had been sought and the SMT advised that three valuations with three agents had been requested and presented to the F&R Committee when the recommendation had been made. The rental income was questioned and the SMT advised that it was currently let to a member of staff on a low rental and the property would require substantial work to enable a private rental to be agreed, and then there would still be the future maintenance costs of the property. It was suggested that a mortgage against the property should be investigated but the SMT advised that this would place the College in a 	

lower threshold for financial health. The Principal was reluctant to have a policy to take on further borrowing that would damage the financial health of the College. He suggested that the sector was in decline with fewer colleges with a 'Good' financial health grade.

- It was noted that the draft Masterplan did not depend on the property with any future plans.
- It was re-iterated that the recommendation of the F&R Committee was to liquidate the asset, taking into account the supporting documentation. However, the Chair of F&R agreed that the discussion had thrown up some interesting other options.
- SMT also emphasised that the cash position was £52K lower due to the agreed re-structure costs, which was an investment for the future and improved the operating position. This left the College perilously close to an overdraft position and it was recommended that the College should be master of its own destiny.
- It was agreed that the changes and timings of funding had affected the position, but through no fault of the College. It was agreed that if the funding model changed to even monthly payments this would assist the issue, but this was not imminent.
- The Deputy Principal (Finance & Corporate Services) advised that from his position he was concerned about next year and if there was any slippage the FE Commissioner would be alerted and the situation would be taken out of the hands of the Corporation.
- A Member questioned what impact the house had on learners and the SMT responded that it had no impact in its current form as a building, and was surplus to requirements, but failure to meet the bank covenants could be very challenging.

After a full and in-depth discussion the Chair called for a vote on the recommendation of the F&R Committee to sell 3 Maurward Close and to get maximum income from the property. The Principal requested that timings be included in the decision.

Votes in favour: 12

Abstentions: 3

Votes against: 0

It was **AGREED** that 3 Maurward Close would immediately be placed on the open market with an agent, requesting bids against the agreed value. The bids would then be assessed by SMT who would present a recommendation to the Corporation which would be in the best interests of the College. Subject to timings, an electronic decision could be made to gain approval.

Reserves Policy

The Reserves Policy was considered, noting the Cash Days. It was noted that the sale of the property would achieve the Cash Day target.

The Corporation **APPROVED** the Reserves Policy following the recommendation of the F&R Committee.

Tuition Fees Policy 2019/20

The Tuition Fees Policy 2019/20 was **APPROVED** following the recommendation of the F&R Committee.

Refund & Compensation Policy

The Refund & Compensation Policy was **APPROVED** following the

	<p>recommendation of the F&R Committee, noting that it was a requirement of the Office for Students (OfS).</p> <p>FE Insolvency Guidance The FE Insolvency Guidance was NOTED with the Chair recommending that all members read and digest. It was also noted that the Clerk was investigating some training on the issue.</p> <p>Draft Minutes of the meeting held on 05/02/19 The draft minutes of the Finance & Resources Committee dated 5 February 2019 were NOTED, with no further comments.</p>	VG
11.	<p>QUALITY & STANDARDS COMMITTEE</p> <p>The Chair of Q&S Committee highlighted the following points from the minutes of the last meeting:</p> <ul style="list-style-type: none"> • The Student Enrichment Programme provided a good variety of extra-curricular activity for the students. • Good work was being implemented on the Careers Strategy. • Intensive work was being undertaken to streamline the IT systems and processes within the College. The Director of Systems Integration had given an illuminating presentation on his work. He was building the confidence of staff and considered that benefits would be seen for the new academic year. The Principal agreed to share the diagrams at the upcoming Strategy Day. <p>Draft Minutes of the meeting held on 06/02/19 The draft minutes of the Quality & Standards Committee dated 6 February 2019 were NOTED, with no further comments.</p>	LR
12.	<p>SEARCH AND GOVERNANCE COMMITTEE</p> <p>It was NOTED that the following papers had received full scrutiny by the Finance & Resources Committee, with the recommendations, additional points, and further actions set out below:</p> <p>Membership Review Further to the discussion at Item 5 the appointment of Graham Ledden as a Co-opted Member of the F&R Committee was APPROVED on the recommendation of the Committee. The Corporation would look to appoint him as a full member when a vacancy arose to ensure a qualified accountant remained on the Board.</p> <p>DfE Governance Guide The DfE Governance Guide was NOTED. It was reported that the Committee had reviewed the document and agreed that the Corporation was compliant in most areas.</p> <p>The Colleges' Senior Post holder Remuneration Code The Colleges' Senior Post holder Remuneration Code was APPROVED on the recommendation of the Committee. The Chair assured members that the Remuneration Committee was very conscious of the guidelines and remuneration for Senior Post holders at the College was broadly in line with benchmarks, if not below. It was suggested that the Code had been put in place due to the perceived excessively high salaries awarded by some</p>	

	<p>colleges. It was noted that an Annual Report was required and would be part of the Annual Accounts.</p> <p>Draft Minutes of the meeting held on 05/02/19 The draft minutes of the Search & Governance Committee dated 5 February 2019 were NOTED, with no further comments.</p>	
13.	<p>RISK MANAGEMENT: ENTRIES FOR THE REGISTER</p> <p>The Corporate Risk Register was NOTED, along with the mitigating measures, and the following additional points were noted:</p> <ul style="list-style-type: none"> • The Deputy Principal (Finance & Corporate Services) advised that changes were highlighted in red within the report. • It was agreed that the impact of Years 7 and 8 being on site at the Studio School could be a risk, but could be incorporated within Risk 9. 	
14.	<p>ANY OTHER BUSINESS</p> <p>The following further business was NOTED:</p> <ul style="list-style-type: none"> • The Clerk reminded all Members that the Governors' electronic portal would be inaccessible at the weekend due to an upgrade. • The Chair added that the Strategy Day would be Friday 22 March at Strode College, and the Agenda would be circulated imminently. 	
15.	<p>2018/19 MEETINGS</p> <p>The remainder of meeting dates for 2018/19 were NOTED:</p> <ul style="list-style-type: none"> • 7 May 2019 • 9 July 2019 	
7.40pm	<p><i>Senior Post holders, Staff and Student Members left the meeting for the next item. The Corporation AGREED that the Principal and Clerk should remain in the meeting.</i></p>	
16.	<p>CONFIDENTIAL ITEM</p> <p>This item was minuted confidentially.</p>	
	<p><i>The meeting closed at 7.50pm with no further business.</i></p>	

Chair.....Dated.....