



MINUTES OF A MEETING OF THE CORPORATION
5.30PM, TUESDAY 5 MAY 2020
held virtually via Zoom due to Covid-19

Members :	*Richard Barker; *Hanna Baxter (FE Student Governor); *Richard Bourne; *Andrew Davies; *Andy Foot; *Alex Jackson; Jim Kenderdine; *Dan Knight; *Robert Lasseter (Vice Chair); Graham Ledden; *Annetta Minard; *Ben Murphy; Vicky Prior; *Luke Rake (Principal); Andrew Robinson; *Andy Stillman; *Bethany Thompson (HE Student Governor); *James Tirrell (Chair); *Linda Wyatt
In attendance:	*Tom Barlow (Deputy Principal (Finance and Commercial Services)); *Oliver Symons (Deputy Principal (Learning & Performance)); *Vanessa Gifford (Clerk)

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

ITEM NO.	DETAIL
1.	<p>DECLARATIONS OF INTEREST</p> <p>There were no declarations of interest NOTED.</p>
2.	<p>APOLOGIES AND WELCOMES</p> <p>Apologies were RECEIVED and NOTED from Jim Kenderdine, Graham Ledden, Vicky Prior and Andrew Robinson.</p> <p>The Chair welcomed everyone to the meeting in these unprecedented times, and thanked members for joining.</p> <p>The resignation of the following members was ACCEPTED, and they were thanked for their contribution to the Corporation:</p> <ul style="list-style-type: none"> • Linda Wyatt wef 1/7/2020 • Andy Stillman wef 1/7/2020 • Tom Amery with immediate effect <p>It was noted that Committee Membership would be reviewed in due course by the Search & Governance Committee.</p>
3.	<p>MINUTES OF THE MEETING HELD ON 03 MARCH 2020.</p> <p>The Corporation APPROVED the minutes of 03 March 2020 as a true and accurate record, and APPROVED the non-confidential minutes for website publication.</p>
4.	<p>MATTERS ARISING FROM THE MINUTES</p> <p>The following matters were NOTED:</p> <ul style="list-style-type: none"> • The Deputy Principal (Learning & Performance) advised that he had investigated the issues over classroom space and confirmed that there were no serious issues. The main problems were on a Tuesday afternoon and Wednesday morning when the weather was bad and the DSS had

	<p>to be accommodated.</p> <ul style="list-style-type: none"> The Principal confirmed that the M&S milk price had been confirmed that day and he would follow up on a visit by a representative of M&S to the Farm Strategy Working Group in due course. The Deputy Principal (Learning & Performance) advised that there had been issue with certain browsers when accessing Moodle which was now resolved. The FE Student Governor confirmed that it was resolved, but suggested there could still be issues with KMC computers when students were back in college. 	LR
5.	<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 confirmed that following a meeting of the Remuneration Committee the Interim Finance Director had accepted a fixed term contract with the College from that Monday until the end of December 2020. This was a pragmatic decision which would enable the Budget 2020/21 and the final accounts for 2019/20 to be finalised during the current difficult financial climate. The Principal advised that the college was carrying on business as usual as much as it possibly could with teaching and learning continuing online, with staff coping with the rapid learning curve. The Principal reported that he was attending the virtual weekly Heads of Department meetings to keep up to date on activity and monitor the progress. The two key concerns for the SMT were: <ol style="list-style-type: none"> Support and welfare of the students - All college services were still accessible with staff in constant touch with students. The financial position – the main thrust of commercial income had halted except for the Farm, where M&S had recently secured its milk prices. The Government were reacting to the challenges with Brexit continuing in the background. The Principal suggested that the next few years would be difficult and the College had to maintain its confidence going forward for the whole community it served, with some difficult decisions to be made going forward. The Principal had kept contact with the local parishioners to ensure they were aware of the College activity. Members questioned how examinations would be assessed and the Principal advised that land-based vocational qualifications were to be awarded by assessment. There were many questions on how this would proceed which were still being considered, but likely that teachers would assess grading for a student using the evidence available. The practical aspect of assessment was currently being discussed and how it would be made fit for purpose for competency based qualifications. It was agreed that there would be anomalies and the Principal advised there would be the opportunity for retakes in the Autumn, with opportunities for students to attend college for certain masterclasses. The Principal agreed to keep the Corporation updated. Members asked whether the number of students accessing online learning was being monitored and the Principal advised that it was. All 	

students had regular once a week contact from their teachers and quality assurance was continuing, and it had been suggested that those students who did not progress in the classroom environment were benefitting. Any student that was not accessing online learning had been referred to the Student Welfare Team for follow up. He also advised that a forensic analysis would be undertaken when all restrictions were lifted. Contact with students was also being triangulated with the local authority.

- The Principal advised that he had attended many meetings with the DSS Principal to progress the capital issues, some had been with the DfE to ensure the issues were understood but little progress had been made. To give some background to newer Members the Principal advised that the Corporation had recognised that when the DSS was created in 2014 it would improve KMC recruitment and quality, particularly at Level 3. The DSS was considered to be an important asset and the success of introducing Years 7 and 8 this year had been a surprise and had caused some operational issues, however the school was nearly at its Published Admission Number (PAN). Capital funding was an issue because the DfE did not hold the 'purse strings', the Treasury would have to support the funding and it was currently engrossed in the Covid-19 pandemic response and Brexit planning.

The College could not continue to support the DSS but wanted it to be a success. The College had supported the DSS this academic year with the provision of rooms, which had not been ideal due to their location. This had been a temporary arrangement only as KMC was looking at growth of its own. It was emphasised that if capital funding was not forthcoming, the College would have to charge the DSS, in the short term and only until the College required the space itself.

It was noted that the school currently leased the land that the school building sat on, and if the DSS failed, the College would have the capital responsibility for the current building on a clawback basis over 30 years.

The ideal resolution would be a new build paid for by the DfE on KMC 999 year leasehold land.

It was noted that negotiations were very difficult, as the DSS and KMC dealt with different areas of the ESFA with regards to funding, with the DfE being responsible for the capital build of the School, and it appeared that each department did not liaise with each other.

The local authority and the LEP were supportive of both organisations and were being kept informed of the capital issues. Dorset Council had advised that the school was currently only fit for 167 students but as an academy it had no control on the funding. When the school was in its planning stages the DfE had withdrawn funding for a third of the building due to financial constraints and had approved the school in its current format and PAN.

The DSS Principal was clear that she could not run another year as things were, and could not take the responsibility for the over-crowding at the school, and the health and safety of her staff and students. For the short term the DSS could lease accommodation from the college but in the long term the DfE had to find a resolution, and if it remained with the 'do nothing' option it gave the DSS no alternative but to close and this would give an unacceptable shelf-life for a £3m project.

The members of the original Steering Group advised that there had been a struggle to gain the funding back in 2013/14 and they had argued at that stage that space would not be sufficient with the DfE

	<p>withholding a third of the project funding. A school had now been created that was popular, where students wanted to attend, with a higher level of success than anticipated. The DfE had been aware that these issues would arise from the outset and had not taken any action. The Corporation requested that the Principal should present a Strategy paper to clarify the background of the project to ensure that all the options were understood. Many issues were operational but others strategic. The Principal agreed to draft a summary position statement, agreed with the Principal of the DSS, for the Corporation.</p> <ul style="list-style-type: none"> • The Principal advised that he had joined a Zoom meeting with other Landex members that morning, and reported that challenges in land-based colleges were different across the sector. Six colleges were reporting a deficit of £2m, which was movement over the last two months. Apprenticeships were also showing a 20% decrease. KMC's exposure was over several areas, therefore limited. Those colleges with large HE and residential provision were extraordinarily concerned for September 2020. The Principal considered that KMC could see the flipside of this with an increase in localism, and students remaining at home. There could also be an increase in adult training within the land-based sector with people wanting to understand food production better, so there could be further opportunities. • The Principal advised that the Commission for the College of the Future was still progressing and KMC was well placed with its links to industry and the localism agenda. • The Principal advised that those staff that were entirely employed on the commercial activity of the College had been furloughed under the government scheme. The Corporation AGREED on this was a sensible course of action. 	LR
6.	<p>STRATEGY DAY</p> <p>The notes from Strategy Day held on 26 February 2020 were AGREED.</p>	
7.	<p>FINANCIAL REPORT TO 31 MARCH 2020 (Management Accounts)</p> <p>The Corporation CONSIDERED the Management Accounts to 31 March 2020. The following points were NOTED:</p> <ul style="list-style-type: none"> • The Deputy Principal (Finance & Commercial Services) advised that he had attended the virtual meeting of the AoC S Finance Directors Group the previous day and the messages had been very similar to those that the Principal had outlined, with the main challenges for funding being Apprenticeships and HE. • The Corporation was reminded of the financial position previously, with the end of January management accounts showing a break even position with the sale of the house in Maurward Close. The main issues had been around Adult income and Apprenticeships, with Commercial income forecast to be on budget. <p>In February the current Covid-19 pandemic was unfolding and commercial income was re-forecast to a 50% decrease in outstanding income to July 2020. At that time the re-forecast highlighted a £470K operational deficit, £159K after the sale of the house.</p> <p>Since that time the lockdown had been introduced and the Deputy Principal (Finance & Commercial Services) had removed all commercial income until year end.</p> <ul style="list-style-type: none"> • There was some income that had not been incorporated in the 	

	<p>management accounts, until definite figures had been received:</p> <ul style="list-style-type: none"> ➤ Furlough income of the commercial staff ➤ All income had been removed, however there would be some cost savings with the consistent message that there should be no spend without authorisation from the SMT. <ul style="list-style-type: none"> • It was understood from the ESFA that Adult AEB funding would be paid based on allocation which was positive. There were also indications that Apprenticeship income would be paid on profile if the students were in learning, and paid as if they were continuing, however this could be capped. • The current pre-occupation for the Deputy Principal (Finance & Commercial Services) was ensuring cashflow was sufficient. The overdraft facility was in place and had originally been for £200K over 3 months. This had now been increased to £400K over 6 months to give greater comfort. It was noted that at the end of March 2020 there had been £200K in the bank and at the end of April £20K. The Corporation was advised that the overdraft had been utilised in April for one week, and would be utilised again in the current month, but was well within the limits of the facility. It was agreed that in May it would be worth considering whether to extend further and the Deputy Principal (Finance & Commercial Services) advised that the Bank was amenable. • The Deputy Principal (Finance & Commercial Services) advised that on the outbreak of the pandemic he had contacted the Banks regarding the Bank Covenants. Nat West had given a pragmatic approach, however Barclays advised that because the College had already informed them that there could be a breach of the covenant there was no change. The Deputy Principal (Finance & Commercial Services) was meeting Barclays the following day and it was possible that the College could have to provide security but would update the Corporation in due course. It was agreed that Barclays was not acting favourably at the current time but its exposure was enormous, and the way specific banks were reacting was interesting. • Members questioned whether the College was honouring this year's prices for weddings that had had to be postponed to the following year. The Principal advised that it was as morally the weddings had to be transferred to ensure that business was not lost, with the income accruing. Most couples were content with this action. The net effect was that there were 53 weddings for the following year, with some space for new business. The Principal also confirmed that he had extended the appointment of the Commercial Finance Manager which should have ended at the end of June 2020. • It was agreed that the College was in a better position than many others. KMC required continuity with this being a bad year for everybody. • It was confirmed that all grants and loans had been investigated but the College was not eligible for the majority and with the current overdraft facility, additional borrowing was not required at the present time. There were also ongoing national discussions with the ESFA to look at the profile of funding which would assist cashflow. Members questioned whether a separate business entity of the college would have access to additional funds, and the Principal suggested that potentially it could, however legal advice would have to be sought. The Principal DSS confirmed that grants from the DfE had been available to schools who had been disadvantaged by Covid-19, and had remained open for children of key workers. 	TB
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	<ul style="list-style-type: none"> Members questioned whether the funds held for weddings were held in a separate client account and the Deputy Principal (Finance & Commercial Services) agreed to check, however he could confirm that the funds were definitely ring-fenced within the accounts. 	TB
8.	<p>FE COMMISSIONER LETTER</p> <p>The FE Commissioner letter dated 27 April 2020 was NOTED. The letter reinforced the need to continue to meet during this difficult time to ensure that governance continued and the Corporation was fully appraised. Governors' scrutiny was important whilst in this challenging situation, as well as providing support to the leadership team.</p>	
9.	<p>RISK MANAGEMENT: ENTRIES FOR THE REGISTER</p> <p>Additional risks for entry on the Risk Register were CONSIDERED, and the following points NOTED:</p> <ul style="list-style-type: none"> It was obvious that the pandemic was at the forefront of all considerations, as well as the challenging financial situation. The Principal advised that he was undertaking a task to review the presentation of the Corporate Risk Register and this would be presented to the next meeting. The Corporation would have to understand the risk management of any actions put in place for re-opening of the College, and how it will operate. The Principal advised that the AoC had set up a Working Group for re-opening of colleges, with scenario planning, to ensure sectoral consistency, and he was awaiting the outcomes of this group. Delivery of programmes would not be an issue, however transport, and getting the students to college safely would be a challenge, and costly. The Principal was considering how parts of the estate could re-open, eg parts of the Animal Park and Gardens, taking social distancing into account. It was agreed that the public would be desperate to leave their homes so there could be opportunities, however ironically the Play Barn would not be accessible safely. It was suggested that as the College would change from 'Good' Financial Health to 'Requires Improvement', those direct risks as a result of Covid-19 should be made clear, should an Ofsted inspection occur. The Principal advised that Ofsted would not review the finances, only in as far as it impacted on learners. In relation to this, it was confirmed that a Self-Assessment Report (SAR) would be completed for 2019/20. It was agreed that although this year would have a bad financial outcome it could be secured over the longer term. The Deputy Principal (Learning & Performance) advised that the new grading for technical qualifications would also compound the challenges. Results for 2019/20 had been looking stronger but now that results would be assessed internally, this would have to be monitored rigorously. It was confirmed that Ofsted would review the results of the previous year if an inspection was called. The Corporation asked how the transport companies were faring in the current climate and the Principal advised that he had spoken to Nordcat that day. The College was supporting Nordcat by continuing the monthly instalments of its contract to ensure that buses were in place for a September re-start. It was also questioned how long the cash position would last and the Deputy Principal (Finance & Commercial Services) advised that the 	<p>LR</p> <p>LR/TB</p>

	<p>forecast was not good, at around zero, but the overdraft facility was sufficient to cover the forecast cashflow to give comfort.</p> <ul style="list-style-type: none"> It was noted that any evidence of the financial impact due to Covid-19 could be traced through the meeting minutes if necessary. The key 'pinch points' were being noted. The Principal was being pro-active and capturing the challenges, whereas the ESFA was being very reactive, like the Government, with any support. 	
10.	<p>ANY OTHER BUSINESS</p> <p>The following items of further business were NOTED:</p> <ul style="list-style-type: none"> Members thanked the Principal for his regular updates engendering a sense of community. The staff were also thanked for providing the fullest possible learning experience for the students. The Principal agreed to thank all staff at the next Principal's Briefing. The Support Staff Governor also thanked the staff on the ground around the estate for their support. The FE Student Governor was pleased to hear that all students were receiving communications from their teachers and that learning was continuing online. It was agreed that the applications for 2020/21 were encouraging, showing a 16% increase, and the current environment could bring further opportunities with the reputation of the College developing. The Principal advised that the Marketing Team was carrying out a full review of Adult Learning courses, and there was a lot of other interesting work going on looking forward to the future. The Principal thanked the two Student Governors for attending the meeting. Members thanked the team and the strong community spirit especially the offer of the residential accommodation to the NHS. 	LR
11.	<p>2019/20 MEETINGS</p> <p>The meeting dates for 2019/20 were NOTED:</p> <ul style="list-style-type: none"> 7 July 2020, probably in the same format as this meeting. 	
	<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>	
12.	<p>CONFIDENTIAL ITEM</p> <p>This item was minuted confidentially.</p>	
	<p><i>The meeting closed at 6.50pm with no further business.</i></p>	

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