



MINUTES OF A MEETING OF THE CORPORATION
5.15PM, TUESDAY 20 OCTOBER 2020
held virtually via Zoom due to Covid-19

Members :	*Richard Barker; *Hanna Baxter; *Richard Bourne; *John Bullen; *Andrew Davies; *Andy Foot; Alex Jackson; *Jim Kenderdine; *Dan Knight; *Robert Lassefer (Vice Chair); *Graham Ledden; *Annetta Minard; *Ben Murphy; *Louisa Payne; Vicky Prior; *Luke Rake (Principal); Andrew Robinson; *James Tirrell (Chair)
In attendance:	Tom Barlow (Deputy Principal (Finance and Commercial Services)); *Nicky Porter (Assistant Principal (Student Experience & Progression)); *Oliver Symons (Deputy Principal (Learning & Performance)); *Vanessa Gifford (Clerk)

ITEM NO.	DETAIL	
1.	<p>DECLARATIONS OF INTEREST</p> <p>The following declarations of interest were NOTED, with regard to Item 9 on the Dorset Studio School:</p> <ul style="list-style-type: none"> • Luke Rake as Member and Governor of DSS • Jim Tirrell as Member and Governor of DSS • Robert Lassefer as Governor of DSS • Annetta Minard as Principal of DSS 	
2.	<p>APOLOGIES AND NOTICES</p> <p>Apologies were RECEIVED and NOTED from Alex Jackson and Andrew Robinson.</p> <p>Louisa Payne was welcomed to her first meeting of the Corporation and introduced herself.</p>	
3.	<p>MINUTES OF THE MEETING HELD ON 28 JULY 2020.</p> <p>The Corporation APPROVED the minutes of 28 July 2020 as a true and accurate record, and APPROVED the non-confidential minutes for website publication.</p>	
4.	<p>MATTERS ARISING FROM THE ABOVE MINUTES</p> <p>The following matters were NOTED:</p> <ul style="list-style-type: none"> • A meeting of the Farm Strategy Working Group had been held. • The Clerk would ensure that the Corporation Work Programme included the submission of the Integrated Financial Model. • The ESFA Funding Agreement had been uploaded to GVO for information. • The further comments of the Chair of the Audit & Assurance Committee had been incorporated into the Financial Regulations. 	VG
5.	<p>RATIFICATION OF ELECTRONIC DECISIONS</p>	

	<p>The following electronic decisions were RATIFIED:</p> <ul style="list-style-type: none"> • Re-Designation of the role of Deputy Principal (Finance & Commercial Services) from a senior Post-holder to an operational post of Finance Director. • The appointment of Louisa Payne to the Corporation for a three year term 1st October 2020 to 30th September 2023. • Amendment of the Instrument & Articles to allow up to 3 Staff members, to allow the status of Hanna Baxter's membership to be amended to 'Staff Governor' due to her appointment as Student President. 	
<p>6.</p>	<p>PRINCIPAL'S REPORT</p> <p>The Corporation RECEIVED the Principal's Report which provided updates on:</p> <p>Introduction; Finance; Student Recruitment; Curriculum Development & Student Activity; Commercial Activity; Local Industrial Strategy/LEP Engagement; Estate and Capital; Alumni; Dorset Studio School; the Farm; Nation Review of Land-based Provision; Pipeline projects; and the Principal's Diary.</p> <p>Further additional points were NOTED as follows:</p> <ul style="list-style-type: none"> • The Principal considered that that the last few months had been exhausting for every senior leader in education. It had been the most challenging period for some time, with a deluge of information and contradictory guidance. On top of this there were also further layers of financial and emotional challenges, however, KMC had not lost sight of 'Every Child Matters'. The Principal added that the barrage of information was relentless with the government pushing decisions down to Principals and Heads locally. At the start of the pandemic KMC had taken the pragmatic decision to shut down and had re-opened in September managing the fear amongst students and staff. There were different levels of risk at KMC that required flexibility and although this was a difficult time, there was still a job to be carried out. • The financial situation of the College was challenging with the majority commercial activity halted, and SMT were reviewing the prospects regularly. The Principal advised that the Deputy Principal (Learning & Performance) and the Assistant Principal (Student Experience & Progression) had carried out a vast amount of the work implementing the re-structure. It was confirmed that 46 jobs were currently at risk of redundancy and it was expected that 10-13 staff would be lost by the end of the week to stem the financial losses of no commercial activity. The Principal advised that he wanted to stand up in front of staff at Christmas and confirm that the process was complete. • Beside the challenging financial situation the Principal considered that the College was in good shape. There had been recent successes with grants, reputation was growing and student numbers were increasing. He also understood that KMC was the only college to be successful with a Coronavirus Business Interruption Loan (CIBIL) as the NatWest Bank had recognised the commercial output. This would provide headroom and the ability to stop the overdraft facility. • Student recruitment for 2020/21 was good with the enrolment process transformed due to the pandemic. He suggested that recruitment had increased by around 11% net which would provide approximately £500K additional funding the following year and the cost base would be managed. The Principal now considered there was 'light at the end of the tunnel', although it had been a long tunnel! Members questioned 	

	<p>why the Principal considered recruitment to have been so good, and he suggested there were a number of reasons. The reputation of the college was now respected, with a change of standards in the broadest sense, there was improved access to students, to highlight that KMC was a good alternative to A levels. Due to the pandemic some school students had commenced A level work at the end of the Summer Term and because there was a dramatic increase in applications in July it was thought that students had realised what A levels involved. However, the Principal advised that applications for 2021/22 were low, so the college had to hold its nerve and not be complacent.</p> <ul style="list-style-type: none"> • The Principal advised that the offer had been increased for 2021/22 with programmes in Aquaculture and Rural Business Management being introduced. He also considered that the curriculum had worked for the start of this academic year and students were enjoying the blended style of learning. The Principal advised that the College had Self-assessed as 'Good' for 2019/20 with strong performance. • The Corporation questioned whether enrolment was within the threshold for in year funding. The Principal advised that not necessarily as it had been changed to 15%, with discussions ongoing with the ESFA who had advised that a business case would have to be profiled, however he suggested that the College should manage this year to benefit from a better settlement for 2021/22. • The Principal advised that there was no commercial activity, and there was now a significant number of weddings after March 2021, with every couple who had been affected by Covid-19 having transferred to the following year, except one, with fixed costs agreed. The Principals advised that he would ensure that the pipeline activity was managed following the re-structure. • It was noted that the Funding Agreement for the £3.5M grant funding from the LEP was still being agreed but was imminent, and it was agreed that the Vice-Chair would sign with the Principal, if necessary. The Principal considered that this project would be transformational, with on-going discussion with the Royal Agricultural University looking at Level 5 and 6 Degree Apprenticeships and Southampton University on Aquaculture. Each university partner would draw together a Memorandum of Understanding (MOU) for delivery in 18 months. The Principal advised that there were no constrictions on what the building could be used for, with some Level 3 work being considered appropriate. Members questioned whether services would be an issue during build and the Principal advised that this had been factored into the costs. A Salix grant was also being investigated, which could provide additional funding for public sector organisations. It was also confirmed that VAT was factored into the cost base. A GANT timeline had been annexed to the Principal's Report and the Property Strategy Working Group had met to consider the details of the project more closely. The Principal confirmed that he had met with a representative of Historic England who considered there to be no issues and a letter of confirmation to utilise the land had been received from the Ilchester Estates. • The Principal had annexed a paper regarding a new Alumni project, an operational professional service that the Marketing Team was working on. It was agreed that it would be useful to receive an update from the Marketing Manager in approximately 9 months time. • The Principal updated on the Farm advising that it was operating well and was well managed. There were some interesting issues forthcoming which had to be monitored and included Brexit and the Agriculture Bill. 	<p style="text-align: right;">LR/VG</p>
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	<p>The Farm Strategy Working Group had met and would meet more regularly to review the issues as updates were released.</p> <ul style="list-style-type: none"> • It was noted that a significant review of national land-based provision was been undertaken jointly by the DfE (via ESFA and FE commissioners) and DEFRA, and this would present some key issues and should be monitored. It included a review of the additional funding for land-based programmes which would be a challenge if decreased or withdrawn. It was noted that Landex had made representations. • The Pipeline projects were noted, especially: <ul style="list-style-type: none"> ➢ Careys Secret Garden a Project funded by 'Lush' and the Constantine family near Wareham and supported by BAME. This involved a large sensory garden and KMC support had been requested. It was possible that this could be a future sponsor for Chelsea Flower Show. ➢ Gillingham – Discussions with Simon Hoare MP and Gillingham School about potential partnership in North Dorset to provide FE/HE support in a county 'cold-spot'. ➢ Agri-Epi - Discussions with outreach and research partner with possibility of KMC becoming an outreach farm, alongside potential partners such as Hemsworth Farm (organic). <p>It was noted that there were many new projects and initiatives being explored and Members agreed there were a lot of positives within the report and congratulated the Principal.</p>	
7.	<p>THE STUDENT VOICE</p> <p>The Clerk reported that one application had been received from an FE Student and the Chair, Principal and Clerk would be meeting him virtually in the next couple of weeks and would keep the Corporation updated.</p>	
8.	<p>CLERK'S REPORT</p> <p>The Clerk's Report was NOTED, with no further comments.</p>	
9.	<p>DORSET STUDIO SCHOOL</p> <p>The Principal's report on the Dorset Studio School (DSS) was CONSIDERED and the following points were NOTED during the discussion:</p> <ul style="list-style-type: none"> • The Principal advised that the DSS was a roaring success on one level; it was over-subscribed and had achieved a 'Good' Ofsted Inspection Report. The school clearly met the needs of the community, however the buildings were not sufficient to meet this need, following the reduced budget on initial build set by the DfE, with no indication from that department that capital funding was forthcoming to resolve the issues. • The Corporation was aware that the College had lent classrooms in 2019/20 and now leased 13 classrooms to the DSS for 2020/21 for £40K. The Principal advised that this lease arrangement was now costing KMC due to a decline in unforeseen operational income eg café income. The College had a significant increase in student numbers for 2020/21 and in September 2021 would require the use of the classrooms which were currently leased to the DSS. The Principal was concerned with how the school would function without this arrangement and the DfE not delivering on its legal obligations. • The Principal advised that 'out of the blue' at the end of the summer 	

	<p>holidays the DfE had advised that the DSS should join a Multi Academy Trust (MAT) and this would be confirmed in writing, and it would be the Governing Body of the DSS to agree this decision. The confirmation was still awaited, and the Principal suggested that it was still with the Minister to sign off.</p> <ul style="list-style-type: none"> • The DSS was still actively recruiting students for September 2021 and without the KMC classroom the school was in a difficult position. • The ideal solution would be to build a new school on dairy land opposite the current building, with KMC giving the land in exchange for the current school building. The Principal considered that the whole situation was a shambles and any decision was strategically important for the College. • The Principal considered that in reality the current situation was not working and this was in no way reflective on the efforts of the school, or its staff. <p>The DSS Principal set out her observations on the issues:</p> <ul style="list-style-type: none"> • The issues had been exacerbated with the unplanned Covid 19 pandemic and the impact of this was enormous. Services that had normally been provided by KMC to the DSS had been cancelled at short notice, especially the provision of catering. This was due to the government pandemic stipulations that students should be kept within 'bubbles' and therefore could not circulate around the campus. • KMC and the DSS were very different; where KMC was independent and managed its own projects, the DSS was controlled by the DfE who managed every aspect of capital build. • It was not normal for schools to attend local Parish Council meetings. The DSS Principal and Chair had been invited to a recent meeting but it was face to face and they were not prepared to attend in person. • The Principal DSS confirmed that the school was recruiting for 2021/22 as the Funding Agreement with the ESFA detailed funding for the Published Admission Number (PAN) of 375, in line with the original application. This had not changed with the change in age range. Significant change would be required if the PAN was amended and the Principal still hoped that the DfE would be forthcoming with capital funding as she had been in discussion with the department for over a year stating that the current situation was unsafe. The DfE was aware that dates for changing the PAN had now past and school places confirmed. • The DSS Principal advised that the school was beholden to the DfE which made the situation very difficult, and confirmed that there had been no discussions with the Thomas Hardy School MAT, as this direction had been thrown into a conversation unexpectedly. The DSS Principal did not understand why the school should join a MAT as the Condition Improvement Fund was open single academy trusts for up to £1m. • The DSS Principal suggested that an analysis had to be carried out for those students entering KMC from the DSS, as the original intention had been that students would be 'pump primed' for KMC Level 3 enrolment. However only 3 Year 11 groups had progressed through the school so far. • The DSS Principal added that the school was not looking to remove KMC services however best value had to be sought especially with IT provision. She acknowledged that the whole situation was very complex at the present time. • The DSS Principal reminded the Corporation that KMC was not just a 'sponsor' of the DSS, it had bid to have the school on its campus and the DfE considered that KMC had a moral imperative. The DSS was very focused on its specialism and it was feared that this could be lost if the 	
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school joined a MAT.

Further discussion:

- The Principal suggested that there was a question whether KMC should keep investing as in reality the current DSS building was half the size it should be and he considered that the DfE were unhelpful and slow in its response. There was now a strategic challenge with the college requiring the Courtyard classrooms in September 2021.
- The DSS Principal considered that health and safety was paramount and the DfE should be informed of the loss of classrooms for 2021. It was agreed that health and safety was the hub of the issue as the school would not be able to function without additional space, which would be a key issue for the quality of learning.
- Members questioned whether there had been any support from local MPs and the Principal advised that the current local MP had been disappointing and had not been responding, however a Zoom conversation had now been scheduled but had taken a long time to arrange.
- It was agreed that the situation was clearly complicated and there was the moral issue to consider as well as the children in the school. It was suggested that there was only strategic value to KMC if a steady stream of students progressed to the college, and there could be value in investigating the MAT proposition if this was not occurring, however it was questioned whether this would secure funding. The Principal advised that there were no guarantees of funding and the DfE had only proposed joining a MAT verbally and confirmation was awaited. He added that currently there was a good relationship between the two principals, however if the school joined a MAT the College could lose control as the freeholder and there could be mission drift, regardless of any wishes and acknowledged that there was a lot to consider. The DSS Principal agreed, many students applied to the DSS because of its link with KMC as the DSS was true to its specialism. She emphasised that the DfE was responsible for this situation and the health and safety of the students, and joining a MAT should not be foisted on the school as this would not resolve the issues.
- The Principal agreed that there was strategic value for the school if there was a steady stream of student progressing to higher levels of study at KMC, however he questioned whether there was enough. The DSS Principal suggested that it took time to become established and historically the school had inherited a high proportion of special needs students with no English and maths and this was down to the intake.
- The Chair suggested that joining a MAT was a current political whim which changed periodically, but may be worth discussing in the future.
- It was agreed that there was an obvious demand for the school and through hard work on both sides the strategic aims of the school had been met after a difficult start. It was questioned whether KMC and DSS could form a MAT, with porta-cabins being provided for additional space. The Principal advised that this had been explored but it was evident that there was no political support for a new MAT with many in the local area. He considered that this could damage the KMC position as it was a DfE issue and although the college absolutely cared for the future of the students, the presence of the school with its current issues was a negative for KMC. The Principal considered that the best solution was to build a new school of the right size in the right place, and this was a political decision, and the College was not in the position to bail out

	<p>the DfE. The current situation was reflecting on the operational challenges of the KMC culture and the Principal had to justify to KMC staff and students the presence of the DSS, and he considered that the SMT was losing credibility. There were some serious behavioural problems with KMC staff having been threatened and issues on transport. The combination of the two organisations was not working, and KMC was losing students as a result.</p> <ul style="list-style-type: none"> • It was emphasised that the DfE had ultimate responsibility for health and safety, and the College could not bail the department out and had to be robust. • The Principal advised that IF a development was agreed, the College would facilitate, but the DfE was currently not coming forward with any practical solutions, and the College had to take the right action. • The Principal advised that he would be formally giving notice to the DSS on the lease of the Courtyard classrooms from September 2021 within the next week. He added that porta-cabins would not solve the challenges which had been drawn to the attention of the DfE five years ago, and there were other considerations such as its effect on planning procedures and the College Masterplan. • It was agreed that although the Corporation could not assist operationally, the issues should be brought to attention at the right level, due to the potential reputational damage for KMC. It was therefore agreed that the Chair would write to the DfE on behalf of the Corporation to re-enforce the decision to withdraw the lease for additional classrooms in September 2021, and to emphasise the health and safety issues, which was a consideration within the lease of the land that the current building sat upon. It was agreed that there had to be a quick resolution and if a satisfactory response was not received the issues should be taken up with local MP's as the DfE was failing to support a successful school. It was suggested that the DSS should also agree to bring the issues into the public domain and a press release should be considered with joint agreement with any responses jointly agreed. <p>After a long debate the discussion was brought to an end with future updates provided by the Principal.</p>	<p style="text-align: center;">JT</p>
<p>10.</p>	<p>FUNDING AGREEMENT: UNIVERSITY HUB PROJECT</p> <p>It was agreed that when the Funding Agreement was received from the LEP, the Vice Chair would be available to sign if necessary.</p>	
<p>11.</p>	<p>FINANCE & RESOURCES 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>Draft Final Accounts to 31 July 2020: In the absence of the Deputy Principal (Finance & Commercial Services) the Principal advised that the draft final accounts to 31 July 2020 had been fully scrutinised by the Committee, although he would take any further questions.</p> <p>Members questioned whether the overdraft facility was still adequate in the current circumstances and the Principal advised that he had been assured that there was sufficient cash at the end of October 2020 with the overdraft facility</p>	

not being utilised. The facility was on a 3 month rolling basis and would continue to be monitored, however it was anticipated that once the Coronavirus Business Interruption Loan was received the overdraft facility would not be required.

Coronavirus Business Interruption Loan Scheme (CBILS): The College has been in negotiation with one of its bankers, NatWest, since the announcement of the CBILS. They have been extremely supportive of the College during this difficult time. CBILS is a Government backed loan scheme designed to assist with financial difficulties associated with COVID-19. NatWest have subsequently approved a loan of £1,200,000 to support essential working capital during COVID-19. It was anticipated that the term of the loan would be over 72 months with 12 months capital repayment holiday (during this time the Government would pay the interest costs) with an interest Base rate (0.1% currently) plus 3.96% or 4.24% five year fixed rate. It was noted that there was a possibility that the term of the loan may be extended to 10 years (subject to Treasury guidance) but was yet to be confirmed. Given this uncertainty the loan documentation was currently being drafted on the basis of the 6 year term by NatWest lawyers at the expense of the Bank, on the basis of adopting the fixed rate option (the differential to a floating rate being only 0.18% at a historically low base rate position).

The CBILS loan opportunity was discussed at the Finance and Resources Committee with the recommendation of the Committee being that the loan be drawn fully on a fixed rate basis as soon as practical. This represented a secure and long term funding option on better terms than the current overdraft arrangement.

The recommendation of the Committee was **AGREED** by the Corporation and any final documentation would be approved electronically when received by the Bank.

Review of Student Enrolment 2020/21: the Review of Student Enrolment 2020/21 was **NOTED**.

Draft Minutes of the meeting held on 29 September 2020

The draft Minutes of the meeting held on 29 September 2020 were **NOTED** with the following further comments:

- The Principal confirmed that the decision from the ESFA regarding any Adult Funding clawback was awaited. He added that most colleges were struggling and the College ESFA representatives had suggested that a Business Case to justify reduced or no clawback would have to be presented but clarification was awaited. It was agreed that this was an area of concern and a potential risk. It was suggested that expenditure should be reviewed to ensure that appropriate capitalisation had taken place to improve the EBITDA and protect the Barclays Bank revised covenant. It was suggested that if the covenant was not met the Bank could possibly look for security which could be at a cost of around £50 - £60K. The Principal confirmed that there would be on-going debates with the ESFA to resolve.
- It was noted that finance for the year were challenging and a re-forecast should be considered in the near future.
- The Chair advised that he had just received a letter from the FE Commissioner that he would be undertaking a Virtual Diagnostic Assessment at the end of November. There was an extensive timetable of meetings and once the letter had been fully digested some governors

	<p>would be requested to join virtual meetings. The Chair added that this action was not unexpected and the team would look at actions and make recommendations, and he considered that the current action being undertaken was adequate and would give an outcome of an 'Amber' rating for the College. The College was doing everything it should be, however the assurance was required.</p>	
<p>12.</p>	<p>QUALITY & STANDARDS COMMITTEE</p> <p>It was NOTED that the following papers had received full scrutiny by the Quality & Standards Committee, with the recommendations, additional points, and further actions set out below:</p> <p>Draft Minutes of the meeting held on 30 September 2020</p> <p>The draft Minutes of the meeting held on 30 September 2020 were NOTED with the following further comments:</p> <ul style="list-style-type: none"> • The Committee had reviewed the departmental Self-Assessment Reports (SAR) and challenged the Department Heads on their assessments. The Deputy Principal (Learning & Performance) would now draft the full College SAR and this would be presented to the next committee meeting, followed by approval by the Corporation. 	
<p>13.</p>	<p>SEARCH & GOVERNANCE COMMITTEE</p> <p>It was NOTED that the following papers had received full scrutiny by the Search & Governance Committee, with the recommendations, additional points, and further actions set out below:</p> <p>Members</p> <p>The following re-appointments were APPROVED:</p> <ul style="list-style-type: none"> • Andrew Davies for a further three year term 01/01/21 to 31/12/23. <p>Skills Audit</p> <p>The results of the recent Skills Audit were NOTED.</p> <p>Attendance 2019/20</p> <p>Attendance 2019/20 was NOTED.</p> <p>Self-Assessment: Code of Good Governance for English Colleges and Governance Key Performance Indicators</p> <p>The Corporation was required to carry out a Self-Assessment of its own performance for the year ending 31 July 2019 and grade itself under the Accounts Direction Handbook 2018 to 2019. The Recommendation from the Search & Governance Committee was 'GOOD' and the Corporation AGREED.</p> <p>Committee Terms of Reference 2020/21</p> <p>The Chair advised that the Committee had considered amalgamating the Search & Governance Committee and the Remuneration Committee to streamline the governance processes.</p> <p>The Corporation APPROVED the draft Terms of Reference of the Governance, Remuneration & Search Committee as recommended by the Committee.</p> <p>Draft Minutes of the meeting held on 29 September 2020</p> <p>The draft Minutes of the meeting held on 29 September 2020 were NOTED with no further comments.</p>	

14.	REVIEW OF CONFIDENTIAL MINUTES The Corporation REVIEWED the Confidential Minutes Register and AGREED to release all 2017 minutes, other than any relating to VAT.	
15.	RISK MANAGEMENT: ENTRIES FOR THE REGISTER Additional risks for entry on the Risk Register were CONSIDERED , and the following points NOTED : <ul style="list-style-type: none"> • The future of the DSS and how it is supported, in particular the reputation of KMC. • The outcome of the FEC Review and recommendations which would require mitigation. • The University Hub project: it was agreed that this should be a risk of its own with reporting and monitoring through a Project Management Board and the Property Strategy Working Group. 	
16.	ANY OTHER BUSINESS The following items of further business were NOTED : <ul style="list-style-type: none"> • The Clerk advised that a draft Internal Audit Annual Plan for 2020/21 had been received after discussions with the Internal Auditors, the Principal and the Clerk. This would be presented to the Audit & Assurance Committee in due course. 	
17.	2020/21 MEETINGS The following remaining dates for 2020/21 were NOTED : <ul style="list-style-type: none"> • 8 December 2020 • 23 February 2021 • 18 May 2021 • 6 July 2021 	
18.	CONFIDENTIAL ITEM This items were minuted confidentially.	
	<i>The meeting closed at 7.40pm with no further business.</i>	

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