



MINUTES OF A MEETING OF THE CORPORATION
5.30PM, TUESDAY 6 JULY 2021
held in the Maurward Hall

Members :	*Richard Barker; Hanna Baxter; *Richard Bourne; *John Bullen; *Andrew Davies; *Andy Foot; *Frances Jenkins *Dan Knight <i>by Zoom</i> ; *Robert Lassetter (Vice Chair); *Graham Ledden; *Annetta Minard; *Ben Murphy; *Luke Rake (Principal); *Kay Taylor; *James Tirrell (Chair); *Dee Vickers
In attendance:	*Anna Carvisiglia (Finance Director); *Vanessa Gifford (Clerk); *Nicky Porter (Assistant Principal (Student Experience & Progression)); *Oliver Symons (Deputy Principal)

ITEM NO.	DETAIL	
1.	<p>DECLARATIONS OF INTEREST</p> <p>There were no declarations of interest declared.</p>	
2.	<p>APOLOGIES AND NOTICES</p> <p>No Apologies were RECEIVED.</p>	
3.	<p>MINUTES OF THE MEETING HELD ON 18 MAY AND 28 JUNE 2021</p> <p>The Corporation APPROVED the minutes of 18 May, subject to one slight amendment, and 28 June 2021 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 arising were NOTED:</p> <p>18 May 2021</p> <ul style="list-style-type: none"> • The tranches of funding had been included in the cashflow presented to the meeting. • Board Assurance Framework would be completed over the summer period. <p>28 June 2021 (Confidential Minutes)</p> <ul style="list-style-type: none"> • A meeting of the Estate Committee had been set for the Autumn Term and regular meetings would then be scheduled to monitor the University Centre and Business Hub project. 	LR
5.	<p>RATIFICATION OF ELECTRONIC DECISIONS</p> <p>The following electronic decisions were RATIFIED:</p> <ul style="list-style-type: none"> • Re-assignment of the Water Meadows Lease • Approval of the appointment of Tom Hallam as Deputy Principal. 	

6.	<p>THE STUDENT VOICE</p> <p>In the absence of any Student Governor, the Support Staff Governor advised that she had been given the responsibility of overseeing the Student Voice within the operational side of the College going forward. The Clerk advised that Student Governors had to be appointed by the Corporation, and it was agreed that the Clerk would meet with the Support Staff Governor to progress the appointments for 2021/22, as the Student Voice was important. It was also noted that Link Governors would be reviewed in the Autumn Term, to ensure that Careers Advice was included.</p>	VG
7.	<p>CLERK'S REPORT</p> <p>The Clerk's Report was NOTED with no further points raised.</p>	
8.	<p>ANNUAL SAFEGUARDING REPORT</p> <p>The Annual Safeguarding Report 2020/21 was CONSIDERED and the following points NOTED:</p> <ul style="list-style-type: none"> • The Assistant Principal advised that it had been an interesting year with the majority of trends increasing, although many were Covid-19 related. • It was acknowledged that these were challenging times for young people. • The Assistant Principal advised that some issues had involved support off site due to online learning, and it was good that the Welfare Team had the ability to support in these circumstances. The Assistant Principal considered there to be a piece of work to undertake on what would have happened if the College had not been involved. • The Corporation was pleased to note that the Team had been expanded to manage the workload. • It was noted that students were more aware of the issues and were reporting to staff when there were problems. • The Corporation asked how the staff were coping in the challenging circumstances and the Assistant Principal advised that the Team were good and worked well together. A lot of referrals had been made by the teaching staff to ensure that the issues were dealt with by a trained team. It was noted that staff were broadly fine, however the Principal advised that many staff were very tired after a long and exhausting year and he expected to see some roll through. It was pleasing to note that the broader staff body was capable of recognising safeguarding issues, with a lot of training having been implemented, with issues being referred to the Welfare Team for investigation rather than other staff getting involved. • It was noted that Safeguarding training for the Corporation would be arranged for the beginning of the new academic year. • It was noted that there had been 159 Welfare checks relating to Covid-19, rather than 58 stated in the report. • The Assistant Principal advised that the College hoped to host a 'No Place for Hate' Conference in due course, in partnership with the Police. • It was noted that an additional room had been identified to enable a safe space for students for counselling and guidance, and the Assistant Principal was working with the Estates Team to take this forward. The Principal advised that he would look into this matter to progress urgently. • The Assistant Principal was thanked for her work, and considered the work of the Team to be a credit to the College. 	<p>VG/NP</p> <p>LR</p>

9.	<p>LETTER FROM THE ESFA</p> <p>The letter from the ESFA dated 23 June 2021 was CONSIDERED and the following points NOTED:</p> <ul style="list-style-type: none"> • The Principal advised that he had alerted the F&R Committee that the College could receive this assessment due to its financial position, which was also the position of many other colleges. • Early intervention required additional information being sent to the ESFA which was not onerous but allowed the ESFA to monitor the Colleges' position. Representatives of the ESFA would also meet more regularly with the Principal and Finance Director. • The College would work to move out of Early Intervention and members questioned the timescale. The Principal advised that it was dependant on the financial position and recovery from the pandemic which impacted on the financial health scoring of the College and until that improved the intervention would continue. • It was noted that there was a risk of moving into formal Intervention and the relationship with the ESFA would have to be managed with honesty and integrity. • It was acknowledged that land-based colleges were more exposed by the pandemic due to their reliance on commercial income. KMC also had further fragility due to its small size. The Principal considered that the risk on formal intervention was not high at the present time, although it was questioned whether the impact of the pandemic was taken into account. The Principal advised that he was keeping the Regional Director constantly informed, and the Market Oversight Team would only take into account the actual Financial Health scores and ratios at the current time, with the Financial Health score being a trigger for intervention, and a positive direction of travel was required. • It was also agreed that the Corporation had to regularly keep the situation under review, and would have a standing item on each Agenda going forward to receive an update from the Principal. 	LR/VG
10.	<p>FUNDING AGREEMENT 2021/22</p> <p>The Funding Agreement for 2021/22 was NOTED.</p>	
11.	<p>CORPORATION WORK PROGRAMME 2021/22</p> <p>The Corporation Work Programme for 2021/22 was APPROVED subject to the following additions:</p> <ul style="list-style-type: none"> • All Corporation meetings would include an Intervention update • The Estate Committee would meet as and when required. 	
12.	<p>AUDIT & ASSURANCE COMMITTEE</p> <p>Internal Audit 2020/21</p> <p>The following Internal Audit Reports were NOTED:</p> <ul style="list-style-type: none"> • 01.2020/21 – Student Journey Enquiry to Enrolment • 04.2020/21 – Student Journey Retention and Intervention <p>The Corporation agreed that these were useful, informative and helpful reports,</p>	

	<p>adding practical value. It was questioned whether the recommendations were achievable and the Principal considered that they were. He added that he considered it to have been a useful process with clear actions. The Corporation suggested that the reports were shared with the Marketing Team for information.</p> <p>Internal Audit Plan 2021/22 The Internal Audit Plan for 2021/22 was APPROVED.</p> <p>ESFA Funding Audit The ESFA Funding Audit was CONSIDERED, whilst noting the minutes of the Audit & Assurance Committee. The following further points were NOTED:</p> <ul style="list-style-type: none"> • The issues related to historic data • The claim could be around £426K, but subject to confirmation following the submission of any further evidence and negotiation. • The Principal advised that the ESFA could potentially review the previous year's information giving potential exposure. • It was noted that the £426K had been included in the Budget for 2021/22 and Cashflow. • The Principal advised that he had been advised by the ESFA that the College had a further 5 weeks to submit evidence for the previous year, and then he presumed the ESFA would discuss the final amount and repayment terms. It was noted that if further evidence could be sought the final figure could be reduced. There were 270 learners to look back on and find sufficient evidence. It was agreed that it was important for Members to understand the implications, although it did not materially affect cashflow, which could improve if a payment plan was agreed over a longer term. • The Corporation agreed that this made the consideration of the Budget for 2021/22 difficult, with only vague notions being put forward by the ESFA. The Principal and the Team had carried out significant work to manage the impact further down the line. • The Corporation questioned what the ESFA was trying to achieve because the College had not failed in gaining successful outcomes for the students. The errors had been administrative and students had achieved their qualifications in the end. • It was agreed that the current rulings damaged colleges' stability, as KMC was six months into the audit and no further on to any agreement, which was causing issues. This was exacerbated by the College not having an ESFA audit for 9 years. • The Corporation questioned when the issues could end and the Principal suggested that the ESFA could review the whole 9 years but they had verbally stated it was only considering changes subsequent to the introduction of new rules regarding Off the Job training so further risk was unlikely. It was important the College took heed of the earlier letter from the ESFA and the Corporation understood the uncertainty around the assumptions in the Budget 2021/22. • The Principal considered these issues to be sector wide, although the KMC issue was acute. Many colleges had the opportunity to resolve their issues in year, however KMC was not aware of that there were any issues due to this area not being audited at the time. • As a small college there was a limited number of staff, with some turnover, to follow through procedures and keep up with the ever changing national guidance, and the ESFA had never raised any issue, and it was considered to be a two way process, as there was a lot of 	LR
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	<p>confusion around the rules in 2018.</p> <ul style="list-style-type: none"> • The Principal considered that proportionality should also be considered. • There was a further question on whether the College should carry out Apprenticeships at all given the risks to finances resulting from clawbacks. The Principal advised that an internal Audit Review had been carried out the year before the changes, so the College was reasonably assured it was doing the right thing. The new Apprenticeship Manager had now stripped out a lot of programmes that were not viable, allowing the College to build and grow as appropriate. • The Apprenticeship Manager, as Staff Governor, advised that she could give any member an update on the current programmes as there was a lot of activity being undertaken and new programmes being considered, with learners and staff taking ownership of their own areas. It was noted that Traineeships were currently being investigated as a pipeline to Apprenticeships. • It was noted that the 2018 Internal Audit Review had been carried out by the previous Internal Auditors and it was suggested that the Terms of Reference should be reviewed to see whether there was any claim. It was agreed to investigate and share with all members for further consideration. • The Principal advised that he did not expect the ESFA to finalise any decision until at least September and he would negotiate as far as he possibly could. <p>External Audit The following documents were APPROVED:</p> <ul style="list-style-type: none"> • Engagement letters for KMC and KME Ltd • Strategy for the year ending 31 July 2021 <p>Committee Terms of Reference and Work Programme 2021/22 The Committee Terms of Reference and Work Programme 2021/22 for the Audit & Assurance Committee were APPROVED.</p> <p>Draft Minutes of the meeting held on 12 May and 15 June 2021 The draft Minutes of the meeting held on 12 May and 15 June 2021 were NOTED with no further comments.</p>	VG
13.	<p>BUDGET 2021/22</p> <p>The Finance Director outlined the Budget Overview, highlighting the key assumptions that had been incorporated in the Budget for 2021/22. The following points were NOTED during consideration:</p> <ul style="list-style-type: none"> • It was noted that the Budget for 2021/22 included a cashflow forecast, however the balance sheet was not included as some outstanding balances were still being investigated. It was noted that the Balance Sheet would be complete by the end of the month. • The Corporation thanked the Finance Director for presenting a clear document and was pleased to see gross margins being reported for the first time. The Principal added that a baseline should now be fixed, after a long period of no activity due to the pandemic. It was agreed that the F&R Committee would follow this up after the summer season. • The Finance director advised that the Financial Health scoring may change once the balance Sheet was completed, however it matched the Budget. 	AC

	<ul style="list-style-type: none"> • It was noted that the Budget would be submitted to the ESFA as part of the CFFR return by 31 July 2021, which would also include the Balance Sheet. • It was agreed that the Balance Sheet, and any ensuing amendments to the Cashflow and I&E, was required before any decision could be made on the Budget 21/22 to understand the start point. It was agreed that the incoming Chair of the F&R Committee would assist the Finance Director in producing a paper that outlined the principle statements. This would be uploaded to GVO for approval. NOTE POST MEETING: on the advice of the FEC Team an Extraordinary meeting would be scheduled by Zoom for consideration of the Budget 21/22. • It was questioned at what point the University Centre and Business Hub would appear on the Balance Sheet and noted that it would be included on completion. • It was noted that further forensic work would take place to clean up the accounts. It was acknowledged that this year's performance was not good but was due to the pandemic and funding. • It was questioned whether there had been any decisions on the VAT debtor and agreed there was nowhere to go and it was expected that it would be an issue for the External Auditors unless any sum was received before year end, with the VAT Consultant adamant that it was due. If not received the F&R Committee would follow up at its meeting in October. 	VG
14.	<p>FINANCE & RESOURCES COMMITTEE</p> <p>Management Accounts to 31 May 2021 The Management Accounts to 31 May 2021 were NOTED, following scrutiny by the Committee. Additional points NOTED were:</p> <ul style="list-style-type: none"> • The VAT Refund was expected within the next couple of months. • The Corporation noted the ESFA Scoring for Financial Health and the additional points that were required to move bandings. <p>Committee Terms of Reference and Work Programme 2021/22 The Committee Terms of Reference and Work Programme 2021/22 for the Finance & Resources Committee were APPROVED.</p> <p>Draft Minutes of the meeting held on 22 June 2021 The draft Minutes of the meeting held on 22 June 2021 were NOTED with no further points noted.</p>	
15.	<p>GOVERNANCE & SEARCH BUSINESS FROM THE GOVERNANCE, REMUNERATION & SEARCH COMMITTEE</p> <p>Membership On the recommendation of the Committee the appointment of Debbie Thomas was APPROVED for a three year term 1 September 2021 to 31 August 2024.</p> <p>Appointment of Chair Following no further nominations, Robert Lasseter was appointed as Chair of the Corporation for a two year term 1 August 2021 to 3 July 2023.</p>	

	<p>Appointment of Vice-Chair Following no further nominations, Richard Barker was appointed as Vice-Chair of the Corporation for a two year term 1 August 2021 to 3 July 2023.</p> <p>Committee Membership The Committee Membership for 2021/22 was APPROVED.</p> <p>FEC Virtual Diagnostic Assessment Follow Up The FEC Virtual Diagnostic Assessment Follow Up Report was NOTED and the following points made:</p> <ul style="list-style-type: none"> • It was noted that the final report was only received two weeks prior to the meeting, when the Assessment had been carried out in April. • The Principal advised that there was much work to undertake, however the College would embrace the actions. • As part of the Review the College had volunteered for a pilot project with the FEC and NCLG to support the finance function of the College going forward. It was noted that this may be 10 days of support which would be useful. • It was agreed that the Principal would draft the Strategic Plan for consideration by the Corporation in October 2021. • With regard to the 2nd Recommendation the Principal advised that he had spoken to the FEC Lead and advised that the Corporation could not wait to make a decision on the University Centre and Business Hub. The Corporation had made an informed decision based on significant work, and a £1M reduction had been achieved. It was agreed that cashflow would be challenging, but the benefits of the new building would outweigh the challenges. It was agreed that financial challenges still existed with or without the new building. <p>Committee Terms of Reference and Work Programme 2021/22 The Committee Terms of Reference and Work Programme 2021/22 for the Governance, Search & Remuneration Committee were APPROVED.</p>	
16.	<p>QUALITY & STANDARDS COMMITTEE</p> <p>Draft Minutes of the meeting held on 16 June 2021 The draft Minutes of the meeting held on 16 June 2021 were NOTED, with the following points made:</p> <ul style="list-style-type: none"> • The Safeguarding Report had made interesting reading, followed up by the Annual Report which had been presented earlier in the meeting. • The Deputy Principal advised that the last pieces of finishing off were just being completed with the majority of learners having achieved. He predicted an 86% Retention and Achievement rate, which was an improvement and just above the national average. It was agreed that given the number of safeguarding issues reported earlier this was a good outcome. • The Chair thanked all teaching staff who had worked so hard in challenging circumstances to get these outcomes. 	
17.	<p>HEALTH & SAFETY COMMITTEE (INTERNAL MEETING)</p> <p>The minutes of the meeting held on 7 June 2021 were NOTED, with the following points made:</p> <ul style="list-style-type: none"> • It was noted that this was the first meeting of the new Health and Safety 	

	<p>Manager, and she had been carrying out a lot of updating.</p> <ul style="list-style-type: none"> The Link Governor for H&S advised that he had been impressed with the coverage of the meeting. He questioned when the next meeting would be held as it has been suggested for the end of July and the Principal agreed to check. 	LR
18.	<p>2021/22 MEETINGS</p> <p>The timetable for meetings in 2021/22 was APPROVED.</p>	
19.	<p>RISK MANAGEMENT: ENTRIES FOR THE REGISTER</p> <p>The Corporate Risk Register was NOTED, and the following points NOTED:</p> <ul style="list-style-type: none"> It was suggested that the issue with the ESFA Clawback should be higher on the Risk Register. It was questioned whether Risk 2 should be lowered as funding was always for new builds and nothing for maintenance. The risk relating to Cyber Crime was questioned as not being specific enough. The Principal added that now the College Insurers had been changed this would now be covered, and emphasised that the recent issue had been an external criminal act, rather than any fraud by staff. <p>It was noted that this points would be considered at the next Risk Management Group meeting.</p>	
20.	<p>ANY OTHER BUSINESS</p> <p>The following items of further business were NOTED:</p> <ul style="list-style-type: none"> It was suggested that as the review of the Strategic Plan had been paused until the Autumn Term, further consideration should be given to match the FEC Report outcomes and the Skills Bill amendments. The Staff Governor raised a point relating to Digital learning and the Principal agreed to meet with her offline to discuss further. It was noted that this could be the last meeting for the Deputy Principal prior to his move to Wiltshire College. The Chair thanked him for the work he had carried out over the last 18 months in challenging circumstances. His work had taken some of the load from the Principal and CPD had been refreshed. The Deputy Principal was wished all the best for his future. 	LR/DV
21.	<p>CONFIDENTIAL ITEMS</p> <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> <p>These items were minuted confidentially.</p>	
	<p><i>The meeting closed at 8.20pm with no further business.</i></p>	

APPROVED 19 October 2021