



MINUTES OF A MEETING OF THE CORPORATION
4.00PM, TUESDAY 06 DECEMBER 2022
Held in the Pengelly room

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

	WESSEX MAT A presentation from Mike Foley, Chief Executive of the Wessex MAT was received prior to the start of the meeting.	
ITEM NO.	DETAIL	
1.	DECLARATIONS OF INTEREST The following declarations of interest were NOTED : <ul style="list-style-type: none"> • Annetta Minard on all matters relating to the Dorset Studio School 	
2.	APOLOGIES AND NOTICES Apologies for absence were NOTED from Anna Bowen and Vanessa Gifford. The Clerk advised that Frances Jenkins, Staff Governor, had resigned from her staff role at the College and had resigned from her Staff Governor role with immediate effect. The Chair welcomed Julian Tucker, the new Interim Finance Director. The GRS Committee RECOMMENDED that Richard Williamson be appointed as a Governor with immediate effect. The Corporation AGREED the appointment of Richard Williamson and he was invited to join the meeting. The Chair welcomed Richard Williamson as a new Governor. The Chair of the Estates Committee offered to “buddy” with Richard to help him understand the governance of the College.	
3.	MINUTES OF THE MEETINGS HELD ON 18 OCTOBER 2022 The Corporation APPROVED the minutes of 18 October 2022 as a true and accurate record, and APPROVED the non-confidential minutes for website publication.	VG
4.	MATTERS ARISING FROM THE ABOVE MINUTES The following points were NOTED :	

	<ul style="list-style-type: none"> • The Principal confirmed that a practical completion certificate was in place for the University Centre and that the target income for the centre is included in the re-forecast budget for December. • Demographic data is included in the Principal's report. • The sale of Manor Garden Cottage is still progressing with the buyer making a third viewing. There are some issues with the GSHP which are being rectified. • Further details on the RSPCA lease are contained in the Principal's report. • Update strategy sessions are being arranged and will take place prior to some Corporation meetings next year. • The first historic briefing report has been prepared on the Dorset Studio School and will be uploaded to GVO tomorrow. A further report will be uploaded before Christmas on the ESFA potential clawback. • The timing of the SAR validation meeting for 2022/23 has been arranged for a month later than previous years. • A briefing on the ONS decision is contained in the Principal's report. • An induction session for the new student governor has been held. 	LR
5.	<p>FINANCIAL STATEMENTS FOR KMC AND KME 2021/22</p> <p>Additional disclosure has been approved for the financial statements 2021/22 due to recent developments relating to the College's financial situation. This has been discussed and agreed with the auditors and sample wording has been received from another college's accounts.</p> <p>There are no changes to the figures in the financial statements the changes relate to the wording of the Going concern section.</p> <p>The Audit & Assurance and Finance & Resources Committees will check and recommend these amendments via GVO to the Corporation and financial statements will be approved, signed and filed before the end of December.</p>	DK/GL
6.	<p>RATIFICATION OF ELECTRONIC DECISIONS</p> <p>The following decisions were RATIFIED:</p> <ul style="list-style-type: none"> • Approval of the Final Accounts for the year ending 31 July 2021 • Appointment of Chief Financial Officer (CFO) and approval of Job Description • Approval of the Exams Whistleblowing Policy • Delegation of CFO appointing process to the GRS Committee • Approval, signing and sealing of the Stinsford Centre contract • Approval of Financial Regulations and Procedures • Regularity Self-Assessment Questionnaire (RSAQ) 2021/22 	
7.	<p>THE STUDENT VOICE</p> <p>The Student Governor updated the Corporation on matters that concerned the students;</p> <p>The following additional points were NOTED:</p> <ul style="list-style-type: none"> • Students are concerned about the condition of Higher Diary car park. • The cost of transport and catering is not affordable for many students who are struggling with the Cost of Living crisis. • There is some dissatisfaction with segregation on course at the College. 	

	<p>The Principal accepted that the cost of transport and catering is difficult for some students and stated that the bursary amounts are set by the College and are reviewed on an annual basis, the student governor can be involved in this process next time. Bursaries can be awarded at the discretion of the Finance Director and the Head of Student Admission and Student Governor can work together to ensure that this message is relayed to students.</p> <p>The feeling of segregation is not a new problem it has been this way for students on different courses for many years. It is difficult to solve as part of this problem is due to the way that courses are timetabled. Teachers are encouraged to teach on different courses and wellness/welfare events are planned regularly for students to mix socially.</p> <p>Governors AGREED that they should participate more in student activities where possible.</p>	<p>VG</p> <p>HC</p>
<p>8.</p>	<p>PRINCIPAL'S REPORT</p> <p>The Corporation RECEIVED the Principal's Report which provided updates on: Introduction; Board decisions requested; Impact of clawback on stability; Students who did not enrol; College activity; Asset sales; VAT; Apprenticeship restructure; Commercial Update; FNTI/FEC; FEC Stocktake; ONS Reclassification of Colleges into the Public Sector; Learning and Skills Improvement plan; External meetings to note and the Principal's Diary.</p> <p>The following additional points during discussions were NOTED:</p> <ul style="list-style-type: none"> • BOARD DECISIONS <ul style="list-style-type: none"> ➤ Minibuses -The F&R Committee RECOMMENDED that the Corporation approve the request to order mini buses with the proviso that there will be a full debate on whether to bring transport in house or not which is supported by a full business case, supporting financial appraisal and consideration of the VAT position and possible implications of the ONS reclassification. The Corporation AGREED that an order for mini buses could be placed with the option to cancel as noted in the report. ➤ RSPCA-The Principal will check the legal perspective of signing this lease with the ESFA following the ONS decision and clarify this at the next meeting. ➤ Proposed Staffing Pay and Conditions changes- The Corporation had a full debate on the merits and affordability of making a staff pay award. It was NOTED that the NLW will increase in April providing staff on NLW with a 9.6% increase. This causes issues relating to parity with other staff. Staff are now leaving citing salary levels as a reason for doing so and increased churn in staff will be a problem for the College. Staff have not had a pay increase for 3 years and Governors are determined that a pay increase should be awarded. The tapering of the pay award was discussed and agreed for this year only, to provide more benefit to those who are on the lower pay grades. Clarity is needed on whether income from the sale of capital assets can be used for a pay award and cashflow forecasts need to be reviewed before the timing of the payment is agreed. The Corporation AGREED that a pay award will be made as soon as possible the timing and whether back pay can be made will be subject to remodelling of the financial position by the Interim Finance Director. The process needs to be clear and demonstrate how the decision was reached. 	<p>TH</p> <p>LR</p> <p>LR/JT</p>

	<p>➤ New Income Streams- The College is actively seeking new HEI Partners and favourable discussions have been held with Harper Adams and the Open University. There are opportunities to work with Harper Adams and introduce transformational change in the HE offer. There is also the ability to introduce HND qualifications which will do not require a validation partner and do not incur fees. Bournemouth University have also agreed to validate all existing programmes now that the RAU have withdrawn. Three schools have expressed interest in a 14-16 programme and further meetings will be held next week. The Corporation members expressed some reservations about the 14-16 provision, TH and LR disagreed but TH was asked to discuss this further with the Chair of Q&S and the Principal of DSS to further explore the possibilities and potential issues with this provision.</p> <ul style="list-style-type: none"> • ASSET DISPOSAL – the completion of the sale of land at Maurward Close is imminent and the land transfer documents were signed today. The amount of £225 will be received in the next few days. The sale of Manor Garden Cottage is still proceeding, issues with the heating are being addressed. • VAT- A payment of £291k has been received from HMRC. • APPRENTICESHIP RESTRUCTURE - The restructure of this department has been handled well by the HR team and employers and parents have been contacted. • ADDITIONAL CONSULTANCY COMMERCIAL- the Head of Estates is now in charge of the commercial department which is working well. The Estate shop and KMP are also doing really well with November income up 35% on last year. Additional commercial consultancy has been put in place on a short-term basis to assist the team with processes, procedures and event ideas. • ONS RE-CLASSIFICATION- The impact of this is huge and immediate. The Principal recommended that Governors familiarise themselves with the Managing Public Money document as they are duty bound to understand it. The Principal will start a new topic on GVO for further information. • THE LOCAL SKILLS IMPROVEMENT PLAN- The LSIP will provide an excellent opportunity to further develop skills in Dorset and the College should be inspired by the process. A presentation on LSIP will be arranged at a meeting prior to a Corporation in the new year. • FEC Stocktake- the SPA process has not found a solution to the financial problems of the College and the Corporation have to make a strategic decision to actively seek a solution. The FEC recommendations are as follows; <ul style="list-style-type: none"> Recommendation 1: That a revised CFFR is produced containing an integral cash flow forecast which accurately aligns with the working cash flow forecast December 2022 Recommendation 2: That the forecast for AEB delivery in 2022-23 is revised to show a realistic out-turn December 2022 Recommendation 3: That the CFFR forecast for 2023-24 is amended to remove additional income which is not yet secure (and any associated costs), in particular: the new 14-16 income, additional HE numbers and additional AEB delivery achieved December 2022 Recommendation 4: That the forecast financial health score/grade for the year is reported in the commentary to the 	<p>TH</p> <p>LR</p> <p>VG</p>
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	<p>management accounts based on revised forecast, as well as original budget January 2022</p> <p>Recommendation 5: Senior leaders need to work with the DFE territorial team to ensure that any requirement for emergency funding over the period to July 2024 is identified in advance and discussed with them and FPMO.</p> <p>Recommendation 6: The FEC will recommend an NLG experienced in chairing a college board through financial recovery and/or restructuring to work with and support the Chair.</p> <p>Recommendation 7: The Board should carefully consider the benefits or otherwise of appointing a permanent FD compared with a fixed term or interim appointment due to the possibility of structural change within the next 12-18 months. The Board should seek the support of the FEC team in the selection and appointment process for an FD</p> <p>Recommendation 8: Governors should require senior leaders to produce a detailed plan by January 2023 that outlines how staff and other costs will be addressed and reduced this financial year due to student enrolments being c150 below target and the decision to stop delivering apprenticeships in year.</p> <p>Recommendation 9: The senior leadership team needs to make better use of the expertise within the governing body during their early stages of thinking through proposals and plans to test their veracity.</p> <p>The Corporation NOTED that the majority of the recommendations have been actioned and the Chair will write to the FEC setting out the College's current position. The Chair also confirmed that the FEC do not apportion blame to the management or corporation. The issues are due to the current economic climate and demographics. The FEC have no preconceived ideas on a solution but moving the provision from Dorset is not an option. FEC also confirmed that the right solution will not be prohibited by the clawback.</p> <p>The Area Review was discussed the purpose of this is to ensure that the right option is found for the young people of Dorset. The decision will be down to individual boards to approve.</p>	RL
9.	<p>MANAGEMENT ACCOUNTS FOR THE PERIOD ENDING 31 OCTOBER 2022</p> <p>The Corporation reviewed the Management accounts for 31 October 2022 and the following key points were NOTED:</p> <ul style="list-style-type: none"> • The CFFR has been re-modelled to remove possible future income streams. • The budget will not be achieved. • The Interim Finance Director will produce a report to clarify all the changes and update the cashflow. • The FEC requested a realistic budget so that the College may receive access to resources. <p>The Chair confirmed that he had asked the FEC to re-profile the College's funding at his recent meeting. The ESFA may consider emergency funding.</p>	JT
10.	QUALITY & STANDARDS COMMITTEE	

	<p>The KMC Self-Assessment Report (SAR) 2021/22 and Quality Improvement Plan (QIP) 2022/23 were APPROVED.</p> <p>The report on college provision was NOTED.</p> <p>The draft minutes of the meeting held on 14 November 2022 were NOTED.</p>	
11.	<p>AUDIT & ASSURANCE COMMITTEE</p> <p>Internal Audit Reports The following audit reports as reviewed by the Committee were NOTED:</p> <ul style="list-style-type: none"> • Report 01: ESFA Mock Funding Audit • Report 02: Commercial Income Strategy • Report 06: Management Information & Strategy • Report 08: Follow Up of Previous Recommendations <p>Internal Audit Annual Report 2021/22 The Internal Audit Plan 2022/23 as recommended by the Committee was APPROVED.</p> <p>Annual Report of the A&A Committee The annual Report of the A&A Committee for submission to the Accounting Officer was RECEIVED.</p> <p>The draft minutes of the meeting held on 22 November 2022 were NOTED.</p>	
12.	<p>FINANCE & RESOURCES COMMITTEE</p> <p>College Transport: This item had been covered under the Principal's Report.</p> <p>Staff Pay Award: This item had been covered under the Principal's Report.</p> <p>The draft minutes of the meeting held on 22 November 2022 were NOTED.</p>	
13.	<p>GOVERNANCE, REMUNERATION & SEARCH COMMITTEE</p> <p>Corporation Membership: The appointment of Richard Williamson to the Corporation as a full member for a three year term 06/12/22 - 05/12/25 was APPROVED.</p> <p>Self-Assessment: Code of Good Governance for English Colleges and Governance Key Performance Indicators: The Corporation was required to carry out a Self-Assessment of its own performance for the year ending 31 July 2022 and grade itself under the Accounts Direction Handbook 2022. The Recommendation from the Search & Governance Committee is 'GOOD' and this was AGREED.</p>	
14.	<p>BANK MANDATES</p> <p>The Corporation AGREED the following changes to the bank mandates:</p> <ul style="list-style-type: none"> • Julian Tucker, Interim CFO, as a signatory on the Bank Mandates from his start date, and to remove Anna Bowen from her leaving date. • To remove legacy staff names from the mandate for the dormant deposit account. 	

15.	<p>RISK MANAGEMENT: ENTRIES FOR THE REGISTER</p> <p>No new risks were identified.</p> <p>The Principal confirmed that the Corporate Risk Register and Board Assurance report has been updated with any new items in bold. Individual Committee Chairs need to identify risks relating to their areas so that these can be more easily reviewed by the Audit & Assurance Committee.</p> <p>It was noted that all the board assurance items were green and this was probably incorrect. The Principal will review them.</p> <p>It was NOTED that there is affordable software available for risk management and the details will be passed to the Principal for information.</p>	<p>LR</p> <p>RW</p>
16.	<p>OUTSTANDING ITEMS TO CARRY FORWARD</p> <p>The following outstanding matters were NOTED which would be considered in due course:</p> <ul style="list-style-type: none"> • Financial Regulations and Procedures 	<p>VG</p>
17.	<p>ANY OTHER BUSINESS</p> <ul style="list-style-type: none"> • It was NOTED that the next GRS Committee should focus on succession planning as some Governors terms of office expire in 2023. This will enable different Governors with new experience to attend different committees. • If land based provision in Dorset is to be protected it will require investment. 	
18.	<p>2022/23 MEETINGS:</p> <p>The following meeting dates for 2022/23 were NOTED:</p> <ul style="list-style-type: none"> • 7 February 2023 • 28 March 2023 • 9 May 2023 • 11 July 2023 	
19.	<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 Clerk should remain in the meeting.</i></p> <p>These items were minuted separately as Confidential.</p>	
	<p><i>The meeting closed at 7.30pm with no further business.</i></p>	

APPROVED: 7 February 2023