



Full Governing Body Minutes

Meeting	Full Governing Body	Date	Tuesday 13 th December 2022
Location	Alfred Yarrow room, Yarrow Hotel, Broadstairs	Time	5.30pm
Membership	Charles Buchanan (Chair), Graham Razey (CEO) (Chief Executive Officer), Allan Baillie, <i>Ella Brocklebank</i> , Gail Clarke, Miranda Chapman, Natalie Garner, Jason Howard, Tim Kent, Peter Troke, John Korzeniewski, Peter Cheney, <i>Joanna Worby</i> , <i>Karen Wilks</i> (Staff Governor), <i>Paula Gillespie</i> , <i>Helen Hammond</i> , Carmel Togher, Sam Lain-Rose, Joseph Rowstone (Student Governor)		
In Attendance	Lucy McLeod (LM) Deputy Chief Executive Officer Chris Legg (CL) (Chief Financial Officer) Paul Sayers (PS) (Chief Information and Strategy Officer) Dan Shelley (DS) (Chief Infrastructure and Transformation Officer) Jamie Weir (JW) (Invited Observer) Sharon Hollingsworth (SH) (Director of Governance) Nicole Leader (Minute Clerk) Kate Young (KY) - Joined for item 13 via teams Alison Gray (AG) - Joined for item 15 via teams		

Italics denotes absence

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies for Absence	<p>The Chair welcomed members to the meeting.</p> <p>Apologies were received from Karen Wilks, Helen Hammond, Ella Brocklebank, Paula Gillespie, Joanna Worby.</p> <p>Gail Clarke, Natalie Garner, Joseph Rowstone, Sam Lain-Rose joined via team's</p>	

2	Declarations of Interest	There were no additional declarations to the meeting other than those declared as standing.	
3	Minutes of the meeting held 7 October 2022, including any confidential minutes	<p>The minutes of the Full Governing Body meeting held on 7th October 2022 were reviewed.</p> <p>A Governor noted that while the confidential minutes were accurate, they did not fully reflect the governor debate that occurred at the preceding strategic event. It was agreed that the minutes would be updated accordingly.</p> <p>The Chair will review the updated minutes and if comfortable the minutes will be duly signed</p>	SH
4	Matters Arising not covered by this agenda:	Item 12, Strategic Development Fund – Director of Governance to set up visits for Governors to visit VR suites.	SH
Standard Papers			
5	Chair's Report	<p>The Chair advised of the significant change with the reclassification of the Further Education into the public sector and how this will impact the Group. It was noted that the immediate effect of the reclassification runs through many of the items being discussed today. The DfE will be developing guidance over the coming months for colleges this will include a new, comprehensive Colleges' Financial handbook. Senior Leaders are responding to the changes and liaising with the Education and Skills Funding Agency to agree arrangements in the short term.</p> <p>Senior Leaders restructure has taken place with minimal impact on the delivery of teaching and learning and most importantly the experience of our students. The Group is now in a stronger position to meet the upcoming financial pressures. The CEO was thanked for his handling of this process.</p> <p>The Chair noted that he had attended his first annual AOC conference in Birmingham during November, the event had been informative and worthwhile.</p> <p>The Chair thanked Governors for their participation in the Governance survey and referred to the outcomes reported in the Director of Governance Report noting that in his opinion the results give a realistic view of the Board and the way it operates.</p>	

		<p>The Chair has been working with other colleges as an NLG and delivering External Governance Reviews. The Chair will be looking to develop the way we operate to strengthen our governance and improve our impact for the benefit of students.</p> <p style="text-align: center;">NOTED – The Chairs Report</p>	
6	CEO's Report	<p>The report was taken as read. In addition, the CEO updated the Board on the steps taken to prepare the Group's revenue position for 2023/24:</p> <ul style="list-style-type: none"> - The new structure is in place and operational. The CEO is now working through the challenges of losing experienced senior managers. - A substantial number of vacancies have been removed from the structure. - Renegotiations are taking place with the insurers regarding the reinstatement of buildings following the Broadstairs fire claim. - Substantial strides are being taken around protecting the Group particularly with the rising energy costs. - Pay negotiations will start with the Union in January 2023. <p>The CEO discussed the ONS reclassification of FE colleges. The impact will be substantial on the way the Group operates in the medium to long term explaining further about what it means for the Group Leadership Board and Governors in terms of decision making.</p> <p>The Group has been accepted into the Chartered Institute of Further Education. This is a select group of FE Colleges who meet a range of quality and financial indicators. The Institute has Royal approval and members of the Group attended an investiture ceremony to be officially welcomed to the Institute.</p> <p>Staff absence and turnover remains a challenge for the Group. Teaching vacancies are low, so impact on students is minimal.</p>	

		<p>The CEO invited questions.</p> <p>A Governor asked if a date had been set for a more detailed conversation regarding the reclassification and what it means for Governance move forward. The CEO clarified that a date will be set in due course when more information is received.</p> <p>A Governor questioned if the savings made from the cut vacancies had come from Education. The CEO clarified that they had not, but all vacancies are currently under review.</p> <p>A Governor asked if the Group had communicated the structural changes to students. The CEO explained that the changes had not been communicated to avoid any unnecessary interruption and to ensure the focus remains on education. This was endorsed by the student Governor noting that he had not been aware of the changes until papers were received.</p> <p style="text-align: center;">NOTED: The Group CEO report.</p>	
7	<p>Director of Governance Report:</p>	<p><u>ETF-IoD-Board-Review-Service</u></p> <p>The Director of Governance (DoG) reported that the Search and Governance Committee had undertaken a review of firms to support the Group with their External Board Review, the recommended firm is ETF-IoD. The review is proposed to take place during mid-October through to December 2023. The Group Chair declared his interest in working for the ETF-IoD and clarified that he did not take part in the decision to recommend the firm. It was agreed that the CEO, Group Chair, MC, PS and SH meet with the ETF-IoD to scope the work for the Review.</p> <p style="text-align: center;">APPROVED: ETF-IoD to support the Group with their External Governance Review</p> <p><u>AoC Code of Good Governance 2021 self-assessment results</u></p> <p>The Board has adopted the AoC Code of Good Governance. There is an expectation that colleges report against the new version in the 2022/23 academic year.</p> <p>A self-assessment exercise against the Code has been undertaken and the results had been shared with the Board. The Group Chair and the DoG will be developing an Action Plan to address the Red and Amber rated sections of the Code for Search and Governance Committee review.</p>	

		<p>There were no concerns raised.</p> <p>NOTED: Results from the self-assessment exercise against the AoC Code of Good Governance and development of an Action Plan to address gaps</p> <p><u>My Governance feedback</u> The results from the high level governance diagnostic survey were shared with the Board. 17 Governors had participated in the Survey. The Search & Governance Committee had reviewed the results. There are clear strengths and some areas of development. Governors noted the overall findings and agreed these reflected the current position of the Board.</p> <p>NOTED: Results from the High-Level Governance Diagnostic Survey</p> <p><u>Governor Development Plan 2022/23</u> The Search and Governance Committee is responsible for considering the Governor Development Plan based on the current skills and development needs of the full board.</p> <p>External facilitators will be sought to deliver development sessions to governors, where possible.</p> <p>The Plan is reliant on governor's self-study. Governors were encouraged to undertake training via the ETF programme on the FutureLearn platform. All Governors are required to complete at least one module per year.</p> <p>AGREED: Adoption of the Governor Development plan 2022/23</p> <p>It was recommended that there should be Deputy Chairs for Local College Boards, Search and Governance Committee to follow this recommendation up.</p>	<p>Agenda item S&G Committee</p>
Strategic Papers			
8	Reflections on the Strategic Plan;	PS provided governors with an update on the Strategic Plan, enabling a reflective discussion on the remainder of the plan period, and the goals and objectives to be achieved.	

		<p>PS drew attention to the previously held FGB Strategy Event in October that focused on a review of the Group’s financial position, the operating environment, and setting a new strategy to address the current challenges. PS highlighted additional pressures on the strategic priorities noting the impact of COVID-19, policy changes and political uncertainty, lack of progress with the government’s higher education strategy and the ONS reclassification of colleges.</p> <p>A Governor asked if the international provision is still relevant: The CEO responded that currently this is unclear, but the Government is considering putting a cap on student migration.</p> <p>Governors agreed that the strategies are appropriate but the tactics to achieve these will need to be reviewed.</p> <p>PS noted that whilst it remains the focus to fully achieve the goals and objectives within the plan, it will take a longer period to do this. Due to the reasons fully discussed, Governors were asked to consider extending the Strategic Plan period to 31 July 2025. This would provide a further year to maximise the Group’s ability to achieve the goals and objectives and allow time for the operating environment to settle.</p> <p>The Board debated extending the strategic plan for a longer period than one year, however following discussion governors settled with a one year extension.</p> <p style="text-align: center;">AGREED: To extend the Strategic Plan by one year.</p>	
9	<p>Contract for construction at Spring Lane</p>	<p>DS presented this item to the Board reminding Governors that the Group has successfully secured funding from the FE Transformation Fund to redevelop our Spring Lane campus, which currently has some of the poorest condition buildings across the group.</p> <p>DS confirmed that the contract presented for signing is a standard JTC Design & Build Contract 2016 which outlines both the employer (EKC Group) and the Contractor (Abbotts Construction)</p>	

		<p>obligations and timescale for delivery of the programme.</p> <p>Governors were comfortable with the value of the project which will be partly funded from the FE Transformation Fund (69%) and from EKC Group cash (31%).</p> <p>The Board were satisfied with the contract for the construction at Spring Lane, the contract will be duly signed following the meeting by the CEO and the Group Chair.</p> <p>RESOLVED: The Board agreed the Design & Build Contract for Spring Lane with Abbotts Construction</p>	
Reporting Papers			
10	EKC Group SAR, QAR and QIP:	<p>The Deputy CEO presented the 2021-22 annual report on the further education outcomes, the Group SAR, and the Quality Improvement Plan. The presented information had been shared with the Education Committee and a deep dive into the reported data had been undertaken.</p> <p>Governors discussed the context to the QAR data report and the self-assessment report, it was noted that COVID continued to significantly disrupt learning up until the end of term 4 when self-isolation was no longer a legal requirement. The pressures of the cost-of-living crisis meant students and their families were under huge pressure. Governors understood that these factors had an impact on the performance of 21-22 but it was also recognised that the Group needs to do better for our learners in helping them recover from COVID and to support them through the current challenges facing them and their families.</p> <p>Governors were assured that members of the Education Committee had scrutinised the presented annual report on further education outcomes, the Group SAR, and the Quality Improvement Plan. There were no further comments.</p> <p>NOTED: Self-Assessment Report 2021/22</p>	

		NOTED: Quality Improvement Plan 2022/23	
11	<p>EKC Group Annual Report and Financial Statements 2021/22.</p> <p>Yarrow Hotel Ltd Report and Financial Statements 2021/22</p> <p>Folkestone College Restaurant Ltd Report and Financial Statements 2021/22</p> <p>EKC Group Post Audit Report 2022</p> <p>2022 Letter of Representation:</p>	<p>CL advised that there are three sets of financial statements and letters of representation for approval, due to the subsidiary companies requiring their own set of accounts. CL clarified that Folkestone College restaurant is no longer a going concern.</p> <p>CL drew attention to the recent ONS re-classification of colleges and explained in detail the impact and ramifications on the financial statements and discussed the following key matters:</p> <ul style="list-style-type: none"> - The reported financial statements include three new sections to the written element of the report informing the reader of the impact of the ONS re-classification. - The Group is confirmed as a going concern by the auditors. Conversation between auditors and the bank have taken place. The new financing arrangements will be a combination of Santander and DfE. - Explanation included on how the reclassification now directly impacts on our future debt structure and how this ensures the going concern status of EKC Group. - Chair of Audit Committee has reviewed the updated accounts and recommends these are adopted by the Board and signed once the auditors have updated their section of the statements. <p>RESOLVED: The Annual Report and Financial Statements 2021/22, the Post Audit Management report and the letter of representation were approved following the receipt of the updated statements from the auditors. The e-signing by the Chair of the Governing Body and Chief Accounting Officer will be undertaken following the meeting.</p> <p><u>EKC Group Letter of Representation</u></p> <p>RESOLVED: Letter of representation approved for signing following receipt of updated financial statements from the Auditors.</p> <p><u>Yarrow Hotel Ltd Letter of Representation</u></p>	



	<p>Sub-Contracting Assurance report</p> <p>Financial regulations Update – November 2022</p> <p>Governors Management Accounts October 2022</p>	<p>RESOLVED: Letter of representation approved for signing following receipt of updated financial statements from the Auditors.</p> <p><u>Folkestone College Restaurant Ltd Letter of Representation</u></p> <p>RESOLVED: Letter of representation approved for signing following receipt of updated financial statements from the Auditors.</p> <p><u>Sub-Contracting Assurance report</u></p> <p>Governors noted the presented assurance report on subcontracting controls 2021-22. The Audit findings report indicates that the systems and controls are in place for adequately managing the subcontracting provision of EKC Group. It was noted that the assurance report will no longer be required as no subcontracting will be in place for 2022-23.</p> <p>NOTED: Subcontracting Assurance Report 2021-22</p> <p><u>Financial Regulations – November 2022</u></p> <p>CL reported that due to the recent senior management restructure the Financial Regulations have been updated to reflect the amended delegated authority limits. There were no concerns raised.</p> <p>APPROVED: Governor approved the updated Financial Regulations</p> <p>CL noted that Q1 re-forecast is complete. The process identified several income streams under target so turnover is forecasted to be down. CL assured Governors that there will be cash in the bank at end of year.</p> <p>It was noted that the savings approved at the strategy event in October 2022 had been met and the strategic targets have been met. Next phase to model the impact of energy and redundancy costs in preparation for setting the 2023-24 budget.</p> <p>CL clarified that all bank covenants have been met</p> <p>NOTED: Management Accounts October 2022</p>	
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	Heads of Terms - extension of Santander borrowing facilities	<i>This item was considered confidential and will form Confidential minutes part A</i>	
12	<p>Annual Audit Committee Report 2021/22</p> <p>Audit Committee Self-Assessment evaluation 2021-22</p> <p>Regularity Self-Assessment Questionnaire 2021-22</p>	<p>The Chair of Audit Committee presented the Committees Annual Report to the Governing Body and assured members that there were no issues to report.</p> <p>Based upon the work of the Group’s Internal Auditors and External Auditors, as well as management awareness, the Audit Committee is of the opinion and is satisfied that the internal control systems which have been reviewed have been adequate and effective and having noted that any action points have been addressed.</p> <p>It was acknowledged that the Audit Committee had previously reviewed the presented Regularity Self-Assessment and the Committee Chair assured members that they were satisfied with the outcome.</p> <p>There were no concerns raised.</p> <p>RESOLVED: The Regulatory self-assessment questionnaire was approved. The e-signing by the Chair of the Governing Body and the Accounting Officer will be undertaken following the meeting.</p>	
13	Annual Safeguarding Report 2021/22	<p>[KY joined the meeting at 7.15pm for this item]</p> <p>KY led governors through the annual report and invited questions.</p> <p>Governors were interested in how the Group spends the budget on supporting students. The Board discussed the various areas of spend and KY assured Governors that the maximum is being spent on student support.</p>	

		<p>KY reported that a number of student forums had recently taken place and the outcomes had highlighted that some students would prefer to speak to their peers for support, rather than using other channels.</p> <p>There were no major incidents to report.</p> <p>KY was thanked for her report and left the meeting at 7.25pm.</p> <p style="text-align: center;">NOTED: Annual Report from the Independent Safeguarding Chair.</p>	
14	Annual Remuneration Statement 2021/22	<p>The Chair of the Remuneration Committee (RemCo) presented the Annual Remuneration Statement noting that RemCo members had queried the ratios within the draft Statement reported at their last meeting. The Committee Chair confirmed that the ratios had been addressed and validated and assured the Board that the presented Annual Remuneration Statement is accurate.</p> <p style="text-align: center;">APPROVED: Annual Remuneration Statement 2021/22 for publication</p>	
15	Annual Report on Health and Safety	<p>[AG joined the meeting at 7.35 for this item]</p> <p>AG presented the annual report on Health and Safety and highlighted the following key items to the Board:</p> <p>The Group continues to fulfil its statutory obligations regarding health and safety. AG is working with loss adjusters on the Broadstairs fire claim. It has been agreed material continuity and like for like replacements.</p> <p>There is a new reporting system for Health and Safety incidents/accidents which has seen an increase in reportable incidents in the first term.</p> <p>Fire drills have been completed this year and more planned throughout the year.</p>	

		<p>AG was thanked for her report and left the meeting at 7:45pm.</p> <p>NOTED: The Annual Report on Health and Safety</p>	
16	Minutes of Committee Meeting's:	<p><u>Property Committee (31.10.22 & 28.11.22)</u> The Property Committee closely monitors all projects using reports provided in the papers. A focus on actions and spending is discussed at the meeting particularly the Folkestone build. Talks concluded with WW Martin on the final invoice. Talks continue with other suppliers. DfE re-scoping hoping to be agreed by the end of term 2. Spring Lane is moving forward.</p> <p><u>Education Committee (17.11.22)</u> The Chair of Education Committee commented on the successful implementation of the sixth form college and quality of education being delivered. The Committee discussed the impact of the success of sixth form across the Group, some staff have moved across to teach in this area and the opportunity for students to move across to vocational qualifications is encouraging.</p> <p>AGREED: Thank you letter to the sixth form team from the FGB congratulating and thanking them for the successful implementation of the new provision.</p> <p><u>Search & Governance Committee (22.11.22)</u> The Chair of Search & Governance Committee provided an update on the committee's work. The Committee approved the creation of a Local College Board for EKC Training Unit. It was also agreed to look at appointing a Vice Chair for the Full Governing Body, the Committee Chair will consult separately with each Governor outside of the meeting regarding options for this appointment and a recommendation to be proposed at the next Search and Governance Committee meeting.</p> <p><u>Remuneration Committee (22.11.22)</u> The Chair of Remuneration Committee noted the approval of the Committees Terms of Reference. It was noted that the Remuneration statement had been agreed by Governor's earlier</p>	DoG

		<p>in the FGB meeting. The Committee is awaiting response from the Charities Commission regarding the application to continue to remunerate the Group Chair.</p> <p><u>Business Committee (25.11.22)</u> The Chair of Business Committee noted that the Committee had reviewed the management accounts for October 2022. The Committee had discussed the low attainment of the Adult Education Budget and the costs associated with delivery. Good financial health was reported but margins are close to requires improvement. The results from the Staff survey were reviewed. The CEO is to identify staff issues and address this by conducting staff forums. The Gender Pay Gap report had been reviewed and discussed. Committee would like to know what activities are happening to improve the gap and to bring back recommendations at the next Business Committee meeting. Human Resource matters were discussed with a focus on harmonisation across the Group and the progress to date was noted. The increase in staff sickness levels is being addressed by senior teams at each College/Business Unit level. A Governor asked if the local board members receive the staff survey results it was confirmed that they do.</p> <p><u>Audit Committee (29.11.22)</u> The Chair of Audit Committee reported on the meeting held which predominantly focused on the financial statements and the year end audit. Buzzacott attended the meeting to report the findings with no Officers in attendance for this item, no concerns were reported. It was noted that there were no significant developments with the Audit Code of Practice. Business committee members joined the Audit Committee for the financial statements item.</p> <p style="text-align: center;">NOTED: Feedback from Committee meetings</p>	
17	Any Other Business	There was no other business discussed	
18	Matters Considered Confidential	Item 11, Heads of Terms for the extension of Santander borrowing facilities.	



19	Date and time of next meeting:	Tuesday 28 March 2023 at 5.30pm	
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There being no further business the meeting closed at 8.07



The FGB Chair, CEO and the Director of Governance have been given delegated authority by FGB to review confidential minutes on an annual basis. The following minute was released for publication following the review panel meeting held on 11 October 2023.

FGB Meeting of 13/12/22 Confidential Minute Number 11

	ITEM	COMMENTS	ACTION POINT REQUIRED
11	Heads of Terms - extension of Santander borrowing facilities	<p>The majority of EKC Group's financing products are expiring at the end of January 2023. The Heads of Terms have been received from Santander to renew these products.</p> <p>CL provided Governors with detail of the existing loans and drew attention to the proposed Heads of Terms to extend the Santander Revolving Credit and loan facilities.</p> <p>CL outlined the proposed strategy for the renewal and highlighted the risk associated with the recent ONS reclassification explaining that the Group would need consent from the DfE to renew the borrowing facilities with Santander.</p> <p>While Governors agreed the proposed strategy for renewal, it was recommended not to sign the Head of Terms until written consent is received from the DfE to extend the Santander Revolving Credit and loan facilities.</p> <p>AGREED: Governors agreed the presented Heads of Terms (HoT's). However, signing of the HoT's is subject to receiving written consent from the DfE approving the extension of the Santander RCF and loan facilities outlined in the Heads.</p>	

Signed by: 

Print: Charles Buchanan

Date: 28 March 2023