

## Governing Body Minutes

<b>Meeting</b>	Full Governing Body	<b>Date</b>	Saturday 8 <sup>th</sup> October 2016
<b>Location</b>	Conference Suite, Yarrow Hotel, Broadstairs	<b>Time</b>	10.08am
<b>Membership</b>	Beverley Aitken (Chair), Graham Razey (GR) (Principal), Patrick Hollis (Vice-Chair), Tom Price, Jonathan Clarke, Sarah Kemp, Charles Buchanan, Stephanie Martin, Patrick Finucane, Miranda Chapman, Tim Kent, Gail Clarke, Joanna Brown (Staff Governor) and Joanne Timms (Staff Governor)		
<b>In Attendance</b>	<p>Anne Leese (AL) (Officer)  Paul Sayers (PS) (Officer)  Chris Legg (CL) (Officer)  Lauren Anning (LA) (Officer)  Lut Stewart (LS) (Officer)</p> <p>Tara Ashman (Clerk)  Jamie Weir (Invited Observer)  Mark Hill (Invited Observer)</p>		

	ITEM	COMMENTS	ACTION POINT REQUIRED
1	<b>Welcome and Apologies for Absence</b>	<p>The Chair welcomed members to the first meeting of the academic year and noted the resignation from Rupert Bristow, Governors wished him and his family well.</p> <p>Apologies were received from Jonathan Clarke and Tim Kent.</p>	
2	<b>Declarations of Interest</b>	There were no declarations of interest at this meeting other than existing standing declarations.	

3	<b>Minutes of meeting held on 6<sup>th</sup> July 2016</b>	The minutes of meeting held on 6 <sup>th</sup> July 2016 were approved and signed as an accurate record of the meeting.	
4	<b>Matters Arising</b>	There were no matters arising not covered within the agenda.	
5	<b>Chair's Report</b>	<p>The Chair advised she had met with the Chairs of the other Kent Colleges since the last meeting and in advance of the Area Review. BA reflected on the meeting and the consensus from the Chairs in attendance was to market FE Kent- wide as a genuine alternative, GR noted some action has already taken place in terms of a common PR approach.</p> <p>The Chair updated members of the recent meeting of the Joint Committee noting that the Memorandum of Understanding had now been signed, the KPIs of the partnership were agreed and the high level options review is underway with a report due at the beginning of November. The Clerk noted there would be an EGM to discuss the options as the next board meeting is currently scheduled after the first Area Review meeting, the process of which was discussed during the strategy event.</p> <p>On behalf of the board, the Chair thanked GR and the team for their work over the past few months in getting the College to its current position and thanked the Governing Body for their continued hard work, support and commitment.</p> <p><b>Staff acknowledgements</b> - GR asked that Governors consider the work of the Yarrow team and the support service teams, namely HR and Finance for the work put in to the opening of the Hotel. There were challenges from all sides but the Hotel has received a very positive response since it opened its doors in July and this is to be congratulated. Governors were in full support of this recommendation.</p> <p style="text-align: center;"><b>AGREED - The Clerk will write on behalf of the Governing Body to the Yarrow and support services teams</b></p>	
6	<b>Principal's Report</b>	<p>The Chair agreed that GR could provide a verbal update and GR updated the Governors on the following areas:</p> <p><b>SFA</b> - GR reported the College is still in dispute regarding the protected level of funding and 18-21 work skills pilot. Craig Mackinlay has received a letter following the lobbying which has opened the door for further negotiation. The College achieved 92% of its adult funding last year and is asking for the same level</p>	

		<p>of protection for 16/17. The independent mediation date for the work skills pilot is 23 November, where GR, PS and Alison Gray will represent the College. A Governor asked whether there are similar cases, GR does not think that many have taken it this far.</p> <p><b>Management Accounts</b> - The early signs on payroll are encouraging having budgeted for a full establishment and significant savings have been made in the first two months.</p> <p><b>Recruitment</b> - Each campus has exceeded its 16-18 target with significant growth at both Dover and Folkestone. HE is down but that has been budgeted for with adult recruitment to date doing well.</p> <p><b>Ofsted</b> - GR attended a conference last Friday where the current Ofsted focus is on progression for children receiving free school meals, high needs funding, looked after children and NEETS. The executive will work on a briefing paper for Governors for circulation. Unaccompanied asylum seekers have their own category which is also reported and, as the College is a large provider of these categories, it needs to demonstrate there is not an achievement gap in these groups so the extra funding is justified.</p> <p><b>Successes</b> - The Yarrow Hotel has been nominated for three design awards in Kent and the College has 4 finalists at the UK Skills Final in Birmingham in November, 2 chefs, 1 front of house and 1 nail technician. Governors wished them every success.</p>	
7	<b>Governor Feedback</b>	<p>The Clerk asked Governors to feedback on any additional engagement activities not within the report:</p> <p><b>Local Advisory Boards</b> - A Governor suggested that the Campus Principals be invited to the Chairs training arranged for Wednesday 2<sup>nd</sup> November, which the board endorsed. The Clerk to action following the meeting.</p> <p><b>Stakeholder Engagement</b> - MC reported that following a summer hiatus she will be meeting with JW and PS on engagement within the business community; as the Yarrow is now open this will have a different focus than previous.</p> <p><b>Curriculum Walkthroughs</b> - Following the Ofsted sessions within the strategy event, Governors were keen to undertake more learner walks and the Clerk will circulate dates from the respective Campuses with the intention that all Governors will have the opportunity to undertake at least one this year.</p> <p><b>Food Science Technology Working Group</b> - Sarah Kemp reported on the first meeting of the working group and described its purpose to members. The Chair suggested SK approach Hilary Askew as a link in the community and SK will follow this up.</p>	<p>Clerk</p> <p>Clerk</p> <p>SK</p>
8	<b>Finance Report</b>	<p>CL tabled an additional report which supersedes the original resolution within the paper. CL reported a £975k deficit due in main to the FRS17 actuary re-valuation. The Colleges financial health at year end is reported as outstanding for profitability and gearing ratios but an inadequate solvency ratio. CL asked</p>	

		<p>Governors to consider a continuation of the £800,000 overdraft that was approved last year and an £1.5million borrowing from Santander which, after initial conversations, is being offered unsecured with no arrangement fee and no break clause.</p> <p>Governors considered the proposals and clarified if the new level of borrowing would be defensible going in to Area Review and a possible merger and asked whether the level of borrowing is enough given the Governors concern of sufficient capacity at the current time.</p> <p>CL advised that with the level of borrowing the Colleges financial health would be closer to a good status at the end of the year, GR asked if the level of borrowing were to increase by an additional £250,000 for transitional arrangements would the financial health move into good and CL felt that it would.</p> <p>Governors approved both recommendations to meet the cash flow difficulties in 2016-2017.</p> <p><b>APPROVED - Governors approved an £800,000 overdraft facility for 12 months</b></p> <p><b>RESOLVED - Governors agreed to an additional £1.75million of unsecured borrowings subject to no arrangement fee and no break clause</b></p> <p>A Governor asked when there would be an independent review on the Yarrow property and whether this would affect the College's ability to borrow, although CL did not feel it would achieve market value this is something for the insurance company to do in the spring.</p> <p>GR minded Governors that there will be a PR message regarding the pension deficit when the full accounts are published which will need to be carefully managed when signing off the final accounts in December. Members discussed the financial position regarding the pension forecast.</p>	
9	Risk Management Report	<p>PS presented the new risk register for approval. Following a working group and the agreement that the previous register was becoming unwieldy as a strategic working document, the new register now includes controls and assurances as opposed to mitigating actions and the key risks are grouped into categories. Governors were happy to approve the revised risk register.</p> <p><b>APPROVED - Governors approved the updated risk register</b></p> <p>PS welcomed views and comments from members.</p>	

		<p>Members discussed the usefulness of the document and thought the new layout added greater value, PS reminded members this document is used to inform the internal audit programme and encouraged Governors to challenge the executive on any issues requiring further assurance.</p> <p>A Governor spoke about greater campus detail being discussed at the Local Advisory Boards for further assurance and CL noted that this document also forms part of the agenda for the internal Risk, Audit and Compliance Committee, it is very much a working document.</p> <p>A Governor felt more assurance was needed on risks 7 and 10 (partnership arrangements and retaining and recruiting staff respectively), these will be considered at the next audit meeting as part of the internal audit plan for 2016-2017.</p> <p>The Chair thanked PS for his report and the revised risk register and encouraged members to review the risk register in advance of every meeting.</p>	CL/PS
10	College Performance Indicators	<p>GR advised Governors the CPIs presented are subject to final accounts being submitted and the ILR being complete and minded them they need to be comfortable with what the results are telling them and challenge where there is concern. GR noted the following CPIs:</p> <p><b>Retention of Young people and Adults</b> - This exceeded the challenging target that was set which is pleasing news.</p> <p><b>Apprenticeship Performance</b>- Although the target starts was not achieved the distance travelled in a year has been a great improvement with over 72% of apprenticeships completed timely (within 90 days of target end date).</p> <p><b>Staff Costs</b> - Due to redundancy payments in July this has increased however admin costs are down again to 18% with a permanent target to stay under 20%. Savings have been effected with the salary split across the partnership of the senior team.</p> <p><b>Adult Funding</b> - The college achieved the 90% threshold which means they will receive 100% of the funding allocation.</p> <p><b>Reliance on Government</b> -This has dropped by 5% due to additional revenue from commercial and less reliance on European money however the College has two particular tenders for European projects at the moment, these being promotion of apprenticeships across the county (£8 million) and to lead the development of numeracy across the South East LEP area (£6million)</p>	

		<p>Governors discussed the process of approving and setting the targets for 2016/17 and agreed the Local Advisory Boards would be well served to review the campus targets.</p> <p>Governors challenged the IT performance target, GR advised the network performance is currently too variable and this impacts on the student experience, this needs some real investment however GR is reluctant to do that before a possible merger. Another Governor asked why the satisfaction of students is the lowest it has been for the past 4 years, GR advised there were 2 or 3 curriculum areas that were not very good last year and cited an example, there is a high level of dissatisfaction in these areas which massively impacts on the figures, this should be considered in detail within the Local Advisory Boards.</p> <p>A Governor was particularly concerned that there should be a target linked to performance management and GR agreed that this will be reported at the next meeting.</p>	GR
11	Teaching, Learning and Assessment	<p>AL and LA presented the report on teaching, learning and assessment and detailed the key developments for 2016-2017, highlighting the following areas:</p> <ul style="list-style-type: none"> <li>• There is vacancy post for the Head of Professional development which would work across the partnership with Canterbury College, there is a good field of applicants for this crucial post;</li> <li>• The College have invested in a Learner Management System called MOLLIE (My Own Life-Long learning in Education) where every member of staff will have a personal development plan and includes the delivery of mandatory online training;</li> <li>• There is a waiting list for in-house DTLLS (Diploma Teaching in the Life-Long Learning Sector) and the College is offering the PTLLS (Preparing to the Teach in the Life-Long Learning Sector) to those on the waiting list. There is also a Work Based Learning (WBL) programme for Assessors in Apprenticeships.</li> </ul> <p>Governors asked whether the College reduced the teaching level for those teachers studying their qualification in the workplace, AL noted that time is allowed within the timetable for personal development but there is no reduction in the teaching hours. GR noted the College pay for the qualification to be undertaken however he has been recently lobbied by the graduate trainees for 2 hours a week teaching remission and this is something that will be considered.</p> <p>The Chair thanked AL and LA for their report.</p>	

12	Clerk's Report	<p>The Clerk reported on the following items:</p> <p><b>Annual Reports 2015/16</b> - The use of the College Seal and Governance Attendance and membership for the academic year 2015-2016 was presented for information.</p> <p><b>Chairs Performance Review</b> - Members were asked to complete the annual review of the Chairs performance and return the questionnaire directly to the Clerk by no later than 14<sup>th</sup> December 2016.</p> <p><b>Governor/Executive Link Scheme</b> - Governors agreed to continue with the Governor Executive Link Scheme for this year and the Clerk will send out the invitations for the first cycle following the meeting. GR asked that Mark Hill also be included in the scheme, the Clerk to action accordingly.</p> <p><b>Action Point Log</b> - There were three outstanding actions to be cleared for the log for 2015-2016. The College Performance Indicator for conversion rate from applications to admission will be added to the annual performance indicators as this can be reported annually and the other two items (meeting local schools and cross college location savings) will be considered in other discussions and agendas over the coming year.</p>	<p>Governors</p> <p>Clerk</p> <p>GR</p>
13	Annual Reports	<p><b>Complaints</b></p> <p>PS advised that a total of 54 complaints were received with 30 being upheld or partially upheld across the College in 15/16. PS noted the report had been broken down into categories and by campus, although this identified a higher number of complaints at Broadstairs, proportionally it is a larger campus and no particular themes came out of any curriculum area.</p> <p>Governors discussed whether the increase in fee paying students has raised customer expectation. Governors were also concerned about the number of complaints regarding lecturers and whether the HR procedures were fit for purpose at the initial recruitment stage, PS noted that some of the lecturer complaints were from long standing staff members and a larger number of complaints came from specific curriculum areas. Governors asked for an update on the complaints against the curriculum areas in rapid improvement at the next meeting.</p> <p><b>Gifts and Hospitality</b></p> <p>PS reminded Governors the log is to report any declared gifts or hospitality over the value of £50 for last year and noted there were no declarations for last year. Governors discussed the line between business and hospitality however accepted a nil return for 2015-16.</p>	<p>PS</p>

		<p><b><u>Exclusion Summary</u></b>  AL noted the key point of the report namely:</p> <ul style="list-style-type: none"> <li>• The number of stage three disciplinaries has increased from 60 in 2014-15 to 71 in 2015-16 however the number of exclusions have decreased from 26 to 16 which represents 0.82% of the student body.</li> <li>• Broadstairs had the highest number of stage 3 hearings (26)</li> <li>• Dover had the highest number of exclusions (11)</li> <li>• Significantly more males underwent a stage 3 disciplinary (58) compared to females (13)</li> <li>• The main reason for stage 3 disciplinaries continues to be behaviour related</li> </ul> <p>A Governor asked why there were a large number of disciplinaries in automotive in Dover, AL explained the area was in rapid improvement with a new management team in place and behaviours are now well managed in the area, some exclusions are permanent and others are temporary depending on the reason.  A Governor asked about alcohol misuse and whether there was the ability to breathalyse students, AL thought permission would be needed from the individual.  A Governor noted a name in the report which the Clerk will remove from the paper record held.</p> <p><b><u>Staff Survey</u></b>  AL noted the report should read 'The majority of questions overall placed the College in the top 44% across the sector that undertook the same survey' and invited questions.  A Governor asked why there was a drop in staff feeling there is sufficient training to do the job effectively. AL agrees there could be more analysis done on this area however thought this could be terminology of the questioning and will come back with more detail.  Governors raised concern over the communication in the College and whether one third of the staff surveyed being afraid to say what they really think. A Governor suggested reintroducing 'Ask me Anything' with the Principal and further work will be done in the analysis of some of the areas where the questions are not as favourable as this may be specific curriculum areas that have been under the spotlight in the last year.</p>	<p>Clerk</p> <p>AL</p> <p>AL</p>
	<p><b>Any Other Business</b></p>	<p>The merger in principle was brought forward to this point in the agenda.</p> <p>The Chair asked Governors to consider a merger in principle with Canterbury College, working towards a merger date of 1<sup>st</sup> August 2017. The Chair reminded Governors of the discussions held during the strategic event and the presentations received from the executive. To enable the process to move forward and for the due diligence process to begin, a merger in principle would need to be agreed at this meeting. Although</p>	

		<p>no final position would need to be confirmed until June 2017, an indicative position would need to be agreed for the final meeting of the Area Review process in March 2017.</p> <p>By show of hands all members were resolved to progress with a merger in principle.</p> <p><b>RESOLVED - Governing Body members resolved to approve a merger in principle with Canterbury College</b></p>	
14	<p><b>Higher Education Code of Governance and new HEFCE Statement of Assurance</b></p>	<p>LA advised Governors of the changes to HEFCE's Revised operating model for quality assessment and the Governor responsibility for assurance under this. Patrick Finance has agreed to be the Lead Governor for HE and Governors were asked to agree to the Assurance statement wholly or partially, which GR would sign as the Accounting officer. Governors agreed they would be happy with a partial assurance at this stage and agreed to adopt the HE Code of Good Governance to offer further assurance in the future. A training session on the current HE provision and a walkthrough the code will be given as a session before the next Full Governing Body meeting.</p> <p><b>RESOLVED - Governors resolved to adopt the HE Code of Good Governance</b></p> <p><b>APPROVED - Governors approved the signing of the Assurance Statement as Partial Assurance for 2015-16</b></p> <p>[12.12pm - Miranda Chapman left the meeting at this point]</p>	
15	<p><b>Yarrow Final Account</b></p>	<p>GR tabled the final position, noting the variance between the College cost consultant and WW Martin as circa £800,000. GR has been working over the last month to try and come to an agreement which would avoid a lengthy process potentially ending in arbitration. Following some negotiations WW Martin have agreed to settle on a final position of £5.1 million which would mean an increase of approximately £150,000 to what Governors had previously approved. Governors were in agreement for this increase to retain a good working relationship with WW Martin and to bring the matter to a conclusion.</p> <p><b>APPROVED - Governors approved a final settlement for WW Martin at £5.1 million for the works on the Yarrow Hotel</b></p>	

16	Draft Agenda for next meeting	<p>Governors discussed the draft agenda for the next meeting and agreed the following:</p> <ul style="list-style-type: none"> <li>• The training session to be on HE and the Code of Good Governance, no longer required as an agenda item as the code has been approved</li> <li>• Barry Boden will be invited to attend prior to the session to support Governors on e-governance and navigating SharePoint as a housekeeping item.</li> <li>• Transitional arrangements to be included in the Principal's Update</li> <li>• Alison Gray will produce an annual report of the Equality and Diversity status under the public sector duty, this will be considered under annual reports.</li> </ul> <p>GR asked that a plan for development sessions be considered at the next meeting to allow for executive colleagues to have advance preparation time. The Clerk to prepare and present a draft under her item.</p>	Clerk
17	Any Other Business	<p><b>Merger in principle</b> - This was taken earlier in the agenda.</p> <p><b>Letter of Intent</b> - The Clerk, on behalf of Stewart Haywood, presented the letter of Intent from RAP Interiors, necessary to commence the work on the Folkestone construction build project. The majority of the project is from LEP funding however this letter would mean a maximum penalty charge to the College of £100,000 were the project not to proceed. GR reminded Governors this is standard procedure and a similar letter was signed for WW Martin on the Yarrow project. Governors agreed for the Chair to sign the letter of intent on their behalf.</p> <p style="text-align: center;"><b>APPROVED - Governors agreed for the Chair to sign on behalf of the Governors a Letter of Intent to RAP Interiors for the Folkestone Construction Build</b></p> <p>The Vice-Chair took the opportunity to welcome the new executive colleagues as a valuable asset to the organisation and thanked the Chair on behalf of the Governors for the enormous amount of personal time and commitment, more so than ever over recent months.</p>	
18	Matters considered Confidential	There were no items considered confidential at the meeting.	

19	Date and Time of Next Meeting	Wednesday 14 <sup>th</sup> December 2016 - Dover Campus 5.00pm	
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There being no further business the meeting closed at 12.24pm

Signed: ..... Position: ..... Date: .....