

MINUTES of the CORPORATION MEETING
held at Canterbury College on Monday, 27 March 2017 at 4.00pm in the Board Room, J221

MEMBERSHIP: Colin Carmichael (Chair), Graham Razey, Paul Barrett, Steve Solly, Anne-Marie Nelson, Bob Jones, Jeremy Licence, Martyn Rogers, Hugo Fenwick, Penny Williams, Grahame Ward, Danielle Banyai, Jessica Foster

IN ATTENDANCE: **Executive Team:** Anne Leese, Chris Legg, Lauren Anning, Lut Stewart, Mark Hill, Paul Sayers, Lucy McLeod, Head of Canterbury College
 Sharon Hollingsworth, Clerk to the Corporation

1432	WELCOME AND APOLOGIES FOR ABSENCE	Action
	<ul style="list-style-type: none"> i. The Chair welcomed members to the meeting. ii. Apologies were received from Penny Williams, Jeremy Licence, Jessica Foster and Hugo Fenwick 	
1433	DECLARATION OF INTERESTS	
	<ul style="list-style-type: none"> i. KCC High Needs funding; Minute No. 1437 - Grahame Ward declared his interest as a Business Manager of a specialist school and Anne-Marie Nelson declared her involvement as a Chair of an organisation that is in receipt of High Needs Funding as an alternative provision. Both declarations are held on the respective existing Register of Interest file. 	
1434	MINUTES OF THE LAST MEETING HELD ON 9 FEBRUARY 2017	
	<ul style="list-style-type: none"> i. The minutes of the meeting were formally approved as an accurate record and signed by the Chair. 	
1435	MATTERS ARISING	
	<ul style="list-style-type: none"> i. There were no matters arising not covered in the Agenda 	
1436	UPDATE FROM THE CHAIR	
	<ul style="list-style-type: none"> i. The Chair reflected on the recent Ofsted full inspection, commenting on the 'good' Ofsted ratings and thanked GR and the Senior Management Team for their hard work and excellent achievement. GR advised members that the College had received the draft OfSTED report and apart from a one word amendment the report will be published on the College website tomorrow, that being the 28 March. For information, GR tabled a copy of the OfSTED report highlighting the amendment still to be made. GR commented that the report reads well and is reflective of the inspection. On behalf of the Corporation the Chair asked GR to pass along their appreciations and congratulations to all staff and students on their tremendous success. ii. The Chair noted the Further Education and Sixth Form College Commissioner's joint termly letter, commenting that in his opinion it had helped to put the difficulties faced by Canterbury College in context. 	
1437	UPDATE FROM THE PRINCIPAL	
	<ul style="list-style-type: none"> i. GR presented his report, invited questions and provided further detail on: Area Review – A Governor enquired if there is any guidance or views on what an alternative structural solution might include and questioned if an alternative structural solution might include the Government giving Canterbury College sufficient money to pay off its debt. GR advised that guidance on alternative structural solutions had not been forthcoming during the Area Review process. GR reminded Governors that the College is not in the position to survive on its own and further explained that the alternative suggestion proposed would not be categorised as a structural solution. GR reported that the Area Review recommendation 	

	<p>presented in his report had been slightly amended, noting the official recommendation makes it clear that given Canterbury College’s financial position a stand-alone position is not a sustainable option for the College going forward.</p> <p>KCC High Needs Funding – A huge problem. GR provided a more in-depth analysis of high needs funding and the way it is calculated and claimed to give a greater level of understanding for Governors. GR believes KCC has contravened the SEND Code of Practice. Appeals have been sent to the Head of SEND and the Corporate Director for Education and with no reply. Governors expressed full support of the actions taken by GR in trying to resolve the matter, noting that the College’s next line of appeal will be to the Secretary of State for Education and the Education Funding Agency.</p> <p>Intervention – The Implementation and Intervention Case Management Group has agreed that the College should be removed from the list of cases managed by the FE Commissioner based on the progress made by the College. Consequently, the College is no longer in intervention with the FE Commissioner. The College will stay under review with the Skills Funding Agency and monthly financial monitoring will continue.</p>	
<p>1438</p>	<p>KENT AREA REVIEW UPDATE</p> <p>i. MH updated Governors with the official proposed recommendation for Canterbury College, that being:</p> <ul style="list-style-type: none"> - Canterbury & East Kent Colleges to merge to form one corporation, the East Kent College Group (EKCG) by a Type B merger, Canterbury Corporation to dissolve and East Kent Corporation will take on the assets and liabilities - Merger is aimed for 1 August 2017, but to be completed no later than 31 December 2017 - If merger does not go ahead East Kent College to stand alone and seek collaboration with other organisations. Canterbury College’s financial assessment indicates that stand alone is not a sustainable option for the college. - Further partnership opportunities with KCC, Mid Kent College and SELEP should be explored to develop appropriate delivery for the Swale area <p>ii. Governors noted that the recommendation for Canterbury College was in line with what they had expected. The Chair sought formal approval of the recommendation from Governors; by a show of hands, Governors agreed the recommendation of the Area Review.</p> <p>RESOLVED – Governors approved the official proposed recommendation for Canterbury College, noted at minute no: 1438i above.</p>	
<p>1439</p>	<p>MERGER UPDATE</p> <p>i. PS presented an update to Governors on the merger programme, noting that the work stream groups continue to oversee the merger programme which includes the development of the Strategic Business Case and Implementation Plan which will form the key documents for a Restructuring Facility application to the Transaction Unit for funding and debt restructuring support. PS explained that the plans will also form the basis for any loan negotiations with banks. PS reminded Members of the ambitious merger target date of 1 August 2017 and invited questions.</p> <p>ii. The Chair noted the significant Restructuring Facility ask, enquiring if the Transaction Unit had agreed a similar scale of ask previously. PS clarified, that to his knowledge, a recent deal of £27million had been approved. Another Governor discussed the Estates Strategy, particularly noting the huge challenge in terms of potential lettings at Canterbury College. The Governor advised that it is not easy to see how the College can come up with anything meaningful. PS clarified that the College will need to demonstrate that all potential options have been viewed for financial viability within the Strategic Plan. The Governor talked about the future proof for growth, noting decisions appear to</p>	

	<p>look at the short-term rather than the longer term position, citing that numbers could be substantially bigger. Governors discussed the letting of the Business Centre; PS advised that a sensitivity analysis to see if the College could be sustainable without that income is currently taking place. PS commented that further considerations, such as the land disposals at Folkestone and Dover campuses and alternative sources of funding have also been explored. A Governor asked about the costs associated with the merger, PS reported each College pays the costs on an equal basis, similarly the Transition Restructuring Grant of £100k will be split equally.</p> <p>iii. PS clarified that progress on implementing the statutory dissolution process is underway. The consultation period commenced on 22 March and will end on 19 April. The Corporation will consider the outcomes from the consultation at their May meeting. The work stream groups are undergoing a process of identifying and evaluating systems and contracts from point of merger. The TUPE process is relatively straightforward; PS reported that he is comfortable with the TUPE plans due to the close alignment of Canterbury staff terms and conditions to that of East Kent College.</p> <p>iv. The Chair noted the Corporation will consider phase 1 of the due diligence work, undertaken by BDO on East Kent College at the Corporation's EGM on 18 April. BDO will also carry out due diligence on the Strategic Business Case and Implementation Plan and will provide advice on the adequacy of the Plans prior to any formal submission to the Transition Unit and banks.</p> <p>v. Governors discussed the prospect of extending the partnership arrangements in the event it becomes clear that the date of the merger will be post 1 August 2017. PS will continue to keep the Board updated on the merger position going forward.</p> <p>vi. There were no further questions and the Chair thanked PS for the helpful update report.</p>	
<p>1440</p>	<p>MANAGEMENT ACCOUNTS TO FEBRUARY 2017</p> <p>i. CL led the Governors through the management accounts and although there are some ups and down with the Income and Expenditure account the operating surplus for the year to date is a surplus of £909,000, which is ahead of target at this time.</p> <p>ii. The Chair questioned the reported operating deficit for the current month, CL clarified that the deficit was due to the way in which the College receives its income of funding, and assured Governors that it was not a cause for concern.</p> <p>iii. A Governor of the Finance sub-group reported that their finance meetings with CL were of good quality; Governors of the group had drilled down in to the reported figures and variances, which provided them with confidence in the quality and accuracy of the presented management accounts.</p> <p>iv. Governors were satisfied with the reported financial position and the Chair thanked CL for his report.</p>	
<p>1441</p>	<p>UPDATE ON PROGRESS AGAINST CPIs Recovery Plan CPIs</p> <p>i. GR presented the recovery plan CPIs explaining that the indicators are mainly driven by the College finances which had been covered in the finance report earlier in the meeting.</p> <p>ii. GR went into the detail behind some of the targets and reporting thereof which assisted Governors in clarifying the position.</p> <p>iii. GR advised Governors that the College had received confirmation of its funding allocation for the next academic year. GR noted that the College had been successful in its appeal for additional funding in the event of over recruitment next year. The College is due to receive a letter of comfort from the EFA in the next 4 – 5 weeks. Governors noted the good news and thanked GR for his actions.</p> <p>iv. GR reported modest cash savings to find for the next academic year which will be achieved through less distribution. GR noted the good position overall.</p>	

	<p>v. Governors agreed GR and the team are controlling costs and handling the management of the cash flow very well.</p> <p>Standard CPIs</p> <p>i. GR presented the standard College CPIs and went into detail behind some of the targets, noting in particular that the College is not strong at meeting the needs of Adults. GR commented that although Access to HE is starting to see an improvement there is a need to create an adult environment in a young person's college. Governors noted that Ofsted had rated the Adult learning programmes as requires improvement. Members discussed the real problem and the need for the College to change its approach to ensure adults have a better learning experience. GR and the team will look at different strategies going forward</p> <p>ii. GR reported that Health and Safety reporting had increased and that staff absenteeism is starting to settle.</p> <p>iii. Governors agreed they were pleased with the overall performance to date and thanked GR for the progress update.</p>	
<p>1442</p>	<p>TEACHING, LEARNING AND ASSESSMENT UPDATE</p> <p>i. LA discussed the teaching, learning and assessment report as presented and provided an in-depth explanation of the teaching and learning model to give Governors a greater level of understanding. LA invited questions.</p> <p>ii. A Governor was particularly interested in the improving judgement of the quality of teaching, learning and assessment at Sheppey College, AL advised that staff had previously been nervous about being good, the new processes have taken a while to be understood by staff and the shared observations with the Head of Canterbury College has made a positive impact.</p> <p>iii. LA reported 90% attendance on vocational programmes at Canterbury College compared to 81% on English and maths; the gap of 9% helped to reassure Governors that the College is moving in the right direction in this regard.</p> <p>iv. Another Governor enquired whether OfSTED had been comfortable with the new Teaching and Learning Model. LA reported that inspectors had been impressed with the model because staff were able to clearly explain where they were in their development and could evidence this.</p> <p>The Chair thanked LA for her report.</p>	
<p>1443</p>	<p>SAFEGUARDING UPDATE</p> <p>i. LS presented the update report to Governors, noting safeguarding allegation cases continue to increase and advised the safeguarding team are work extremely hard to address the increase in cases.</p> <p>ii. Governors noted the very positive OfSTED inspection result. The lead Governor on safeguarding expressed his absolute confidence in LS and her team and is proud of the work being done.</p> <p>There were no further comments and the Chair thanked LS for her report.</p>	
<p>1444</p>	<p>RISK REGISTER</p> <p>i. MH led the Governors though the changes to the risk register as reported, noting that a robust review of the risk register has been undertaken by the Internal Risk, Audit and Compliance Committee on 15 March 2017.</p> <p>ii. The Chair of the Audit Committee advised Governors that the presented risk register and proposed changes had been looked at in some detail at their recent Committee meeting. The</p>	

	<p>Chair confirmed there were no issues to report and noted the good systems of control in place to identify, monitor and assess risks going forward.</p> <p>iii. The Chair of the Audit Committee updated Governors of a recent Committee concern relating to the College's Business Continuity Plan, the main concern being the lack of a proper detailed contingency plan should the College suddenly suffer a disaster-related event that led to the closure of the site and a rebuilding process thereafter. Governors understood it was a real problem and noted that as a result CL had been tasked to arrange a review of the Business Continuity Plan.</p> <p>iv. A Governor of the Audit Committee also drew attention to the nine risks in the risk register emphasising that the risks were not listed in rank order.</p> <p>There were no further comments and the Chair thanked MH for the report.</p>	
<p>1445</p>	<p>POLICY REVIEW</p> <p>i. AL presented the Capability and Conduct for Probationers and reported that the existing policy had been amended to simplify the process for managing staff misconduct and poor performance during the probation period. The aim is to be able to respond fairly and quickly.</p> <p>ii. AL advised Governors that the Admissions policy has undergone a general review to bring it up to date with current structures, responsibilities and practices.</p> <p>iii. Governors noted the two presented policies had been through the internal policy committee for agreement however, they also require approval by the Full Governing Body.</p> <p>APPROVED – Governors approved the Capability and Conduct for Probationers Policy and the Admissions Policy</p>	
<p>1446</p>	<p>CLERKS REPORTS</p> <p>Link Governor Engagement Feedback.</p> <p>i. The Clerk thanked Governors for their participation in engagement activities since the last meeting and invited feedback.</p> <p>ii. SS reported that he had visited the College on four occasions during January. SS visits included a meeting with Paul Sayers to review systems and controls, particularly relating to MIS to seek assurances that attendance and numbers are accurately recorded and being maintained; a meeting with Chris Legg to review budgeting, process and procedures; a visit to the Finance department and a review the Sheppey College activities with Mark Howland.</p> <p>iii. The following Governors had undertaken a Learning Walk during February; Danielle Banyai (Public Services) and Penny Williams (Health and Social Care / Early Years)</p> <p>iv. Paul Barrett reported that he, Grahame Ward and Hugo Fenwick had visited the Finance department to meet staff. PB informed Governors that it was an interesting and useful visit that helped to provide a greater level of understanding of the departments working practices, which re-assured Governors that systems of control are working and being maintained.</p> <p>v. The Clerk reminded relevant Governors of their recent Prevent training session with Nick Wilkinson, Strategic Prevent and Channel Strategic Manager for Kent County Council and invited feedback. Governors who had attended the session had different opinions, but most agreed the session had been of some value.</p> <p>Sub Committee and Sub Group meetings</p> <p>i. Governors received the draft minutes of sub-committee meetings held since the last meeting, notably:</p> <ul style="list-style-type: none"> - Finance sub-group 20 February 2017 - SU Consultation – 17 March 2017 - Finance sub-group – 20 March 2017 	

	<p>- Audit Committee – 21 March 2017</p> <p>ii. The Chair invited Governors to comment on the business matters and recommendations of the Committees. Governors agreed they were comfortable with the presented minutes and recommendations.</p>	
1447	<p>ANY OTHER BUSINESS</p> <p>Living wage and Assimilation of Lecturer Scales</p> <p>i. AL led Governors through the report going in to some detail behind the affordability of the presented recommendations to provide Governors with a better level of understanding.</p> <p>ii. For clarification, AL explained that an in-year budget review of priority spends by the Executive Team has been undertaken and the proposed recommendations being presented are seen as a priority for consideration.</p> <p>iii. In terms of the living wage, a Governor enquired if the College had looked at other education institutions in the local area to see what they are paying. AL advised Governors, that as far as she was aware, this had not been undertaken. Another Governor commented that given the vocational nature of the business, in his opinion the College has an obligation to honour the living wage award.</p> <p>iv. AL went in to some detail about the assimilation of Lecturer scales, explaining how each College lecturer scale would be revised to ensure Governors were clear about the proposal presented. Governors discussed the proposal and agreed that one main lecturer scale across the group of colleges is a practical approach.</p> <p>v. The Chair sought formal approval of the proposed recommendations from Governors.</p> <p>RESOLVED – Governors agreed:</p> <p>1. To award the Living Wage hourly rate of £8.45 as the minimum pay point for staff who fall below this level and to backdate the award to January 2017</p> <p>2. To assimilate the top of the main grade lecturer scale with that of East Kent College in preparation for merger.</p> <p>Merger target date</p> <p>i. The Chair of the Audit Committee raised concern about the ambitious target date of 1 August 2017, noting that the current temporary partnership arrangements will cease on 31 July 2017. Governors recognised the potential risk to Canterbury College in that it might lose its Principal, Deputy Principal and Executive Team if the date of merger is post 1 August 2017 and an extension to the partnership arrangements is not in place.</p> <p>AGREED - The Chairs of the respective colleges to have a conversation to consider, in principle, extending the partnership arrangements in the event that the merger is post 1 August 2017. The Chair agreed to report the outcomes from the conversation to the next Corporation meeting for consideration.</p>	<p>AL</p> <p>AL</p> <p>Chair</p>
1448	<p>DATE OF THE NEXT MEETING</p> <p>i. The next meeting is scheduled for Monday, 25 May 2017 at 4pm in room J221.</p> <p>ii. The Chair noted a special Corporation meeting has been booked for Tuesday, 18 April 2017 at 4:15pm to consider the BDO report on phase 1 of the due diligence work.</p>	
1449	<p>EVALUATION OF THE MEETING</p> <p>i. The evaluation from the last meeting was noted.</p> <p>ii. Members were asked to complete the evaluation of meeting form. The Clerk will take forward any matters raised.</p>	