



**MINUTES OF THE PART I MEETING OF THE CORPORATION HELD 09 JULY 2015**

Present: Mr P Dubrow  
 Mr N Coffin  
 Ms T Bruton  
 Mr P Hannan  
 Mr B McNicoll  
 Ms S Lowen  
 Mr J Standen  
 Ms S Hart  
 Mr C Porter

In attendance: Mr J Allen -Clerk to the Governors  
 Ms L Brown -Group Vice Principal  
 Mr M Lumsdon-Taylor -Group Director of Finance

The meeting commenced at 09.40.

**Section A: Formal Agenda Items**

**APOLOGIES, QUORACY, & DECLARATION OF INTERESTS**

104. Apologies were received from M L Currie, Mr H Guntrip, Mr P Morris and Mr K Randall and. The Clerk confirmed that the meeting was quorate. The membership of some of the Members of the Hadlow Corporation on the Board of West Kent & Ashford College (WKAC), Hadlow Rural Community School, Hadlow Group Board, and Hadlow Group Audit Committee was noted. It was agreed that these interests would be a declared interest at all Corporation meetings. The Chair confirmed that all Members would be making decisions in the best interests of Hadlow College, regardless of their membership elsewhere within the Hadlow Group Structure.

**MINUTES**

105. It was **RESOLVED** that the minutes of the meeting of the Corporation held 26 March 2015 be approved and signed by the Chair as a correct record.

**SUMMARY ACTION LIST & MATTERS ARISING**

106. The ‘*Summary Action List*’ was received. The following updates were made available against each outstanding action point from the previous meeting:

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	UPDATE AS OF 09 JULY 015
46	A secure external access for governors to Corporation and Committee papers enabling access to papers, either through PCs, iPads, and iPhones – to discuss at	The use of Sharefile has been agreed and this would be made available from September.

	the next meeting of G&S	
66	Operational and development objectives to support the Mission Statement, Core Values, and Strategic Objectives to be made available at the July Board meeting for approval.	Agenda item at today's meeting
75	A new methodology has been introduced on how success rates are to be recorded - a presentation on these changes and their impact to be made available at the June strategy meeting.	Presentation given at the June Strategy meeting

107. It was **RESOLVED** to note the '*Summary Action List*'.

### **Section B: Strategic Importance**

#### **OFSTED INSPECTION HADLOW RURAL COMMUNITY SCHOOL**

108. An oral update was provided by the Group Vice Principal on the outcomes of the Ofsted inspection of the Hadlow Rural Community School that took place on 23<sup>rd</sup> and 24<sup>th</sup> June. The following judgments and grades were awarded:

- Leadership & Management Grade 2 – Good
- Behaviour of Students Grade 2 – Good
- Quality of Teaching & Learning Grade 2 – Good
- Outcomes for learners Grade 2 – Good
- Overall Effectiveness Grade 2 - Good

109. The Group Vice Principal confirmed the grades and judgments were in line with the School's Self Assessment Report.

110. The Corporation noted this was an excellent outcome bearing in mind the 'distance travelled' and the issues faced by the School over the last 3 terms. The outcome will further endorse the School of being a school of 'choice' for the local community. The inspection outcome will also enable the School to progress further and onwards on its journey of becoming 'Outstanding'.

111. It was **RESOLVED** to pass on congratulations and thanks to the staff, students and the Board of the School for achieving such an excellent outcome in the short history of the School.

#### **HADLOW GROUP BOARD SCHEME OF DELEGATION**

112. The report from the Clerk was received. The Scheme of Delegation approved by the Board outlined the ways in which the Board members of the Hadlow Group Board fulfill their responsibilities for the leadership and management of the Hadlow Group, the respective roles and responsibilities of members from Local Governing Bodies, and their commitments to each other to ensure the success of the Group.

113. The Scheme of Delegation as it currently stands gives power to the Hadlow Group Board to direct decisions to the Local Governing Bodies.

114. The Scheme of Delegation was subject to review at the June Strategy meeting where it was agreed that the role of the Hadlow Group Board is to **ADVISE** on strategic matters for consideration by Local Governing Bodies. It was agreed for the Scheme of Delegation to be amended to confirm this advisory role.

115. It was **RESOLVED** to approve the revised Scheme of Delegation that confirmed the Hadlow Group Board has an advisory role.

## **STRATEGIC & OPERATIONAL PLAN**

116. Under this agenda item, the following was received:

- (i) For review the proposed operational and development objectives to support the delivery of the approved College Strategic Plan 2015 - 2020
- (ii) For reference the final review of the Strategic and Operational Objectives 2010 – 2015

117. Following review, the proposed operational and development objectives to support the delivery of the approved College Strategic Plan 2015 - 2020 were noted.

118. The final review of the Strategic and Operational Objectives 2010-2015 was noted, with confirmation given that outstanding action points have been carried forward into the Strategic and Operational Objectives 2015 – 2020.

## **COLLEGE BUDGET & TWO YEAR FINANCIAL FORECASTS 2015/16 & 2016/17**

119. The Corporation received the confidential Part III minutes of the Finance Committee meeting held 18 June 2015. It was agreed to declare this agenda item 'confidential' due to the sensitive nature of elements of commercial information contained within the minutes, and to record discussions on this agenda item separately as confidential minutes.

120. The Corporation received a presentation from the Group Director of Finance on the College Budget 2015/16 and 2 Year Financial Forecast 2015/16 & 2016/17.

121. The proposed budget continues the 13<sup>th</sup> year trend of returning positive budgets which was welcomed by the Committee. The 2015/16 budget takes into account continued control of staffing positions and a tight control of expenditure. Forecast turnover for Hadlow College is £17,551,000 with a forecast surplus of £346,500. Cash holdings as at 31 July 2016 are forecast at £1,500,000. The Hadlow Group turnover is forecast at £44,414,000 with a surplus of £726,000 and cash holdings of £6,786,000 as at 31 July 2016.

122. It was confirmed five key fiscal drivers underpin the budgetary process, these being:

- All Curriculum divisions must return a baseline contribution of 50%
- All Curriculum divisions must return and show net 5% growth in either FE or HE student count
- Net contribution from core business must be equal to or greater than commercial net profits
- All College overhead, unless specifically cannot grow by more than 5%
- Any commercial loss positions must show improvement of baseline 25% for the forthcoming year (against in year budget)

123. Benchmark expenditure as a % of income was 51% for the land-based sector and 63% for general and further education. The Hadlow College Budget 2015/16 has staff costs

at 50% of turnover. College staffing costs remain on benchmark with the sector average. The College has adopted its own performance awards and will no longer follow AoC recommendations.

124. Student numbers must be met as the College's profitability is geared on achievement of student targets. For 16-18, the target set for enrolment is 1,110. For 19+, an income target of £1,300,000 has been set. For HE, 650 HE student enrolments is the target.

125. College Group commercial divisions contribute a significant percentage to the projected surplus. Court Lane and Grove Park Farm are projected in the prudent forecasts to break even, with all other commercial activities forecast to return a surplus. The forecast surplus from commercial divisions is £200,000.

126. The risk and sensitivity analysis confirmed the following 'High' risks:

- HEFCE Main Recurrent Grant envelop is not achieved
- Budgeted levels of tuition fee income are not achieved
- Other income streams fail to deliver in both revenue and profit
- Pay expenditure is exceeded
- Net income from Commercial activities is not achieved

127. The risk and sensitivity analysis confirmed the following 'Medium' risks:

- 16-18 Student numbers are not achieved – The College is protected as part of the WKAC acquisition agreement but any shortfall will impact on future years due to lagged funding
- Funding methodology effects core growth and reductions in 19+ funding
- Indirect costs for ad hoc projects/external influences affect operational costs and cash flow.

128. The budget paper outlined the actions to be taken to mitigate against each of the 'High' and 'Medium' risks.

129. The forecasts in the '*2 Year Financial Forecasts*' were completed in the template prescribed the Skills Funding Agency although there are issues with the template with software errors still yet to be resolved. The forecasts for Hadlow College confirm a financial health assessment of 'Good' for 2014/15 and 'Outstanding' for 2015/16 and 2016/17.

130. Governors sought assurances on the figure stated in the budget paper of cash holdings of £2m for Betteshanger. Previous information made available to governors indicated a much larger holding of grants specifically ring fenced for Betteshanger. The Group Director of Finance confirmed this to be the case, with a total of £15m ring fenced and held in reserves for use on Betteshanger and the new Ashford campus.

131. It was **RESOLVED** to approve:

- (i) Hadlow Group Budget 2015/16; and
- (ii) Hadlow College Commentary & 2 Year Financial Forecast 2015/16 and 2016/17.

## LEARNER VOICE EVALUATION REPORT

132. The College report '*Learner Voice Evaluation*' was received. It was agreed at the last meeting for a further evaluation to be undertaken on the Learner Voice following receipt of the report at the last meeting. The report confirmed further evaluation was done through learner focus group meetings and the use of more quantitative evidence. The report also outlined how support would be given to students to help them complete future surveys.

133. In order to ensure all students are included in the survey the Exit Survey has been extended to be an End of Year Survey which will involve students progressing from Year 1 to Year 2 of their course. It was confirmed the End of Year Survey is currently being completed and will close at the end of term.

134. It was **RESOLVED** to note the report and for the analysis of the End of Year Survey to be made available to the Curriculum & Quality Committee.

## CODE OF GOOD GOVERNANCE FOR ENGLISH COLLEGES

135. The Clerk made available to Members the '*Code of Good Governance for English Colleges*' that was subject to review and discussion at the recent June Strategy meeting. The Code of Good Governance for English Colleges is intended to help governing boards meet and exceed basic governance requirements. As autonomous bodies, individual colleges are free to adopt the Code as they see fit. AoC suggests that colleges may wish to consider adopting the code at their summer board meeting.

136. It was **RESOLVED** to adopt the '*Code of Good Governance for English Colleges*' with effect from 01 August 2015, with the exception of part of clause 9.29, where it will be the Board who determines the number of terms to be served by governors, with any re-appointment recommendation to follow the criteria listed in the policy on Governor Re-appointments that is published in the '*Governors' Handbook*'

### Section C: Committee Reports

## REPORT FROM THE CURRICULUM & QUALITY COMMITTEE

137. The College report '*Unconfirmed Minutes of the Curriculum & Quality Committee held 26 June 2015*' was received. The Chair of the Committee presented the report. The Chair confirmed that the Committee received and considered reports on:

- Quality Improvement Action Plan
- Lesson Observation Report
- Student Attendance Report
- Function Skills/GCSE Update
- Monitoring of College performance in the area of student experience.

138. The Committee confirmed one 'Red' (serious concern/risk) assessment was made against English and maths. 'Amber' assessments (some concern/some risk) were reported for learner progression, HE recruitment, current overall HE retention, and learner attendance. An 'Amber' assessment was also reported on SFA assessments as a 'Minimum Level of Performance' was issued under the new calculating methodology for foundation studies functional skills. All remaining performance indicators identified for student experience, teaching & learning were assessed as 'Green' (no concern/no risk). The Committee agreed a 'Green' assessment (No concern/No risk) against.

139. It was **RESOLVED** to note the minutes of the meeting of Curriculum & Quality Committee held 25 February 2015.

#### **REPORT FROM THE FINANCE COMMITTEE**

140. The College report '*Unconfirmed Minutes of the Finance Committee held 18 June 2015*' was received. The Chair of the Committee presented the report. The Chair confirmed that the Committee received and considered reports on:

- Delegated Authority
- Management Accounts/Financial Performance Report
- College Budget 2015/16 & 2 Year Financial Forecast
- Capital Portfolio Report
- Tenders
- HR Exceptional Report
- Health & Safety
- Monitoring of College performance in the area of finance and estates.

141. Against the 14 agreed performance indicators for the area of finance & estates, one 'Amber' assessment was recorded against creditor days. All other assessments were confirmed as 'Green'. The Committee agreed a 'Green' assessment (No concern/No risk) against finance and estates.

142. Against the 9 agreed performance indicators of the area of staff & human resources, 'Amber' assessments were recorded against current staff turnover and current staff vacancies. The Committee agreed an 'Amber' assessment (Some concern/Some risk) against staff and human resources.

143. The minutes of the Finance Committee meeting held on 18 June 2015 were received and **NOTED**.

#### **BETTESHANGER SUB GROUP**

144. The minutes of the Betteshanger Sub Group meeting held on 18 June 2015 were received and **NOTED**.

#### **HADLOW GROUP AUDIT COMMITTEE**

145. The minutes of the Hadlow Group Audit Committee held 11 June 2015 were received and **NOTED** with confirmation given there were no issues of concern to report to the Corporation.

146. Following the audit tendering process and interviews for the provision of an internal audit service and financial statement audit & regularity audit service conducted on 23 June 2015, the Hadlow Group Audit Committee has proposed appointment recommendations for approval.

147. It was **RESOLVED**:

- (i) To appoint Baker Tilly to be the College's Financial Statement & Regularity Auditor for the period of 3 years with effect from 01 August 2015, with the option of a further extension of 2 years; and

- (ii) To appoint MacIntyre Hudson to be the College's Internal Audit Service for the period of 3 years with effect from 01 August 2015, with the option of a further extension of 2 years.

## GOVERNANCE & SEARCH COMMITTEE

148. It was confirmed a meeting took place recently of the Governance & search Committee to conduct an interview for the vacancy on the Corporation.

149. It was **RESOLVED** to approve the recommendation proposed by the Committee and to appoint Mr Gary Cutress to serve on the Corporation for the period 01 September 2015 to 31 August 2019.

### Section D: Monitoring

#### MONITORING OF COLLEGE PERFORMANCE – OVERALL SUMMARY ASSESSMENT OF COLLEGE PERFORMANCE & ASSESSMENT OF RISK

150. The College report '*Monitoring of College Performance – Overall Summary Assessment of College Performance & Assessment of Risk*' was received (copy attached to the signed minutes). The monitoring framework approved by the Corporation requires the overall assessments undertaken by each Committee during the term to be made available to the Corporation.

151. It was **RESOLVED** to note the following overall summary of College performance and assessment of risk:

1	The Student Experience, Teaching & Learning (Agreed by the Curriculum & Quality Committee)	No Concern/No Risk
2	Financial & Estates (Agreed by the F,C&R Committee)	No concern/No risk
3	Audit (Agreed by the Audit Committee)	No concern/No risk
4	Staff & Human Resources (Agreed by the F,C&R Committee)	Some Concern/Some risk
5	Governance, Leadership & Management (Agreed by the Governance & Search Committee)	No concern/risk

#### ANY OTHER BUSINESS

152. There was no other business.

#### DATE OF NEXT MEETINGS

Thursday 15/10/15	Corporation meeting and annual Governor Link Scheme lunch	Hadlow 09.30
Thursday 10/12/15	Corporation & Carol Service	Hadlow 09.30 (lunch provided)

The meeting closed at 12.40

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**CURRENT SUMMARY ACTION LIST**

<b>MIN REF</b>	<b>DETAILS OF RESOLUTION/ACTION POINT</b>	<b>WHO</b>	<b>REVIEW DATE</b>
77	March Corporation meeting: KCC/Funding of Princess Christian Farm – to receive a progress update  July Corporation meeting: It was reported that a framework has been worked out and a meeting will take place with officers from KCC by the end of July to agree the framework.	Executive	15/10/15
134	The analysis of the End of Year Survey to be made available to the Curriculum & Quality meeting.	Executive	C&Q meeting 12/11/15