



HADLOW
COLLEGE

Innovation. Experience. Excellence.

MINUTES OF THE PART I MEETING OF THE CORPORATION HELD 13 JULY 2017

Present: Ms T Bruton (Chair)
Mr P Dubrow (Vice Chair)
Mr P Hannan (Group CEO & Group Principal)
Mr C Hearn
Ms S Hart
Mr C Porter
Mr H Guntrip
Mr P Morris
Ms S Lowen

In attendance: Mr J Allen -Clerk to the Governors
Mr M Lumsdon-Taylor - Group Deputy CEO &
Deputy Group Principal
Dr L Pamphilon -Group Vice Principal
Ms B Cleves -Group Vice Principal
Mr D Payne -Group Vice Principal

The meeting commenced at 09.30.

Section A: Formal Agenda Items

CHAIR ADDRESS, APOLOGIES, QUORACY & DECLARATION OF INTERESTS

107. The Chair placed on record thanks to the Executive and College staff for the various student award events that were held at the Hadlow Campus and the excellent presence of the College at the Kent County Show. The professionalism of all the staff involved in these events was a credit to them.

108. Apologies were received from Mr B McNicoll, Ms J-A Delaney, and Professor S Lea. 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, and the Hadlow Group Board 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

109. It was **RESOLVED** that the minutes of the Part I meeting of the Corporation, held 16 March 2017, be approved and signed by the Chair as a correct record.

110 It was **RESOLVED** that the confidential minutes of the Part I meeting of the Corporation, held 16 March 2017, be approved and signed by the Chair as a correct record.

SUMMARY ACTION LIST & MATTERS ARISING

111 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 13 JULY 2017
61	<p>Disclosure Barring Scheme:</p> <p>The Board endorsed the direction of travel outlined for a trial period of one year. It was agreed to conduct a review at the end of the trial in order to receive assurance of there being full compliance against the requirement for every member of staff to conduct an annual criminal self assessment declaration.</p>	<p>Review scheduled for the summer 2017 Corporation meeting</p>
63	<p>Disclosure Barring Scheme:</p> <p>The agreed changes to be formalised in a revised Disclosure Baring Scheme Policy to be approved by the Board at a later date.</p>	<p>Review scheduled for the summer 2017 Corporation meeting</p>

Section B: Strategic Importance

STRATEGY MEETING

112. The minutes of the Strategy meeting involving governors from Hadlow College and West Kent & Ashford College that took place on 14 June 2017 and 15 June 2017 were received.

113. It was confirmed the second day of the meeting focused on key strategic matters arising from the Area Review process, government initiatives, and recent visits from the FE Commissioner and subsequent visits from a member of the FE Commissioner’s Office.

114. At the conclusion of the strategy meeting, governors from both Colleges made recommendations for their respective Boards to consider and to approve. For Hadlow Corporation, the recommendation was as follows:

For the Hadlow College Corporation to reaffirm its position agreed at the March 2017 Corporation meeting for Hadlow College to remain a standalone institution within the Hadlow Group and for this to be subject to review again in June 2018.

115. It was unanimously **RESOLVED** to reaffirm the Corporation's position agreed at the March 2017 Corporation meeting for Hadlow College to remain a standalone institution within the Hadlow Group and for this to be subject to review again in June 2018.

116. An update was given on the final visit from the FE Commissioner that was requested by the Commissioner, and for the meeting to be held before the end of June, in order for him to finalise and publish the Kent Area Review Report. The FE Commissioner requested this meeting in order to receive the final position statement of the Hadlow Corporation in response to the Area Review recommendations.

117. It was noted with that the FE Commissioner did not follow up on the dates offered for this meeting by the College and as of yet no meeting date has been agreed. As we are now entering the summer period, and if no meeting date is agreed before the end of July, it was **AGREED** for the Chair of the Hadlow Corporation and the Chair of West Kent & Ashford Board to write a joint letter to the FE Commissioner to inform him officially of the resolutions passed at this meeting and for the letter to summarise the extensive discussions that took place at the Strategy meeting that enabled governors to reach an informed decision. It was further **AGREED** for the letter to conclude that the matter is now closed as a considerable amount of time has been taken up by the demands and visits from the FE Commissioners Office following the conclusion of the Area Review timetable.

HADLOW GROUP MINUTES

118. The unconfirmed confidential minutes of the Hadlow Group Board meeting, held 05 May 2017, were received and **NOTED**. It was noted the items covered during the meeting were subject to further discussion at the June strategy meeting.

STRATEGIC & OPERATIONAL PLAN

119. For reference, the Corporation received for review the full analysis of the Strategic and Operational Objectives 2016-2020. The end of year full report assessed the progress made against set targets that were mainly due for completion by July 2017.

120. Assurances were sought on what is the process in place to review those objectives that seem to be continuously assessed as 'Amber'. The question was asked, 'If the targets are not being achieved, are we being aspirational in our target setting and should they be reviewed to be more realistic?' In response it was stated that many of the targets have to be assessed at 'Amber', as year-end results are required to confirm the final performance against the set target. The final assessment of performance against these targets will be undertaken in the autumn term.

121. Two 'Red' assessments were noted - failure to achieve the operating surplus of 3% and HE recruitment. In terms of the operating surplus, governors have agreed a restructuring process (R2) that will better position the College financially for 2017-18 and beyond. For HE, the Executive is rebuilding relationships with the senior management team at the University of Greenwich to ensure better marketing and promotion of the HE courses offered at Hadlow. There has also been a thorough review of the HE offer at the College. However, the impact of a poor HE offer in previous years will take several years to work through as the College is not benefiting from good internal HE progression.

122. The final review of the Strategic and Operational Objectives 2016/17 was **NOTED**.

COLLEGE BUDGET 2017-18 & TWO YEAR FINANCIAL FORECASTS 2018/19 & 2019/20

123. The Corporation received a presentation from the Deputy CEO/Deputy Principal on the College Budget 2016/17 and 2 Year Financial Forecast 2016/17 & 2017/18. It was confirmed both the budget and 2-year financial forecasts were subject to a thorough review from the Hadlow Group Finance Committee and the Committee recommends both the budget and financial forecasts to the Corporation for approval.

124. In light of the Group's continued development of its business portfolio, the budget continues to focus upon key fiscal drivers for Hadlow College that 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 targeted, cannot grow by more than 5%
- Any commercial loss positions must show improvement of baseline 25% for the forthcoming year (against in year budget)

125. The Group Budget Position 2017/18 was presented as follows:

	West Kent College	Hadlow College Incorporated (HCI)	Group Totals
Turnover	£21, 000,000	£21,000,000	£42,000,000
Surplus	£500,000	£407,000	£907,000
16-18 Global count	2750	1100	3850

126. The presentation identified in detail the key risks and the planned actions to be taken to mitigate against the risks. It was confirmed the key risks are student enrolment numbers in September/October and the retention of these students. FE student numbers are a risk with Hadlow requiring 100+ increase in 16-18 numbers. HE recruitment is also a high risk.

127. It was confirmed student recruitment would be subject to a thorough review by the Executive during September, and will also be reviewed at the regular planned meetings between the Group CEO, Deputy CEO, and Chairs of both Hadlow & WKAC. If required, budget alterations will be made in light of any recruitment issues.

128. The generation of commercial income is fundamental and also has associated risk.

129. The forecasts in the '2 Year Financial Forecasts' were completed in the template prescribed by the Skills Funding Agency, although there were issues with the template with it not being made available to Colleges until June.

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

- (i) Hadlow College Budget 2017/18;
- (ii) Hadlow Group Budget 2017/18; and
- (iii) Hadlow College Commentary & 2-Year Financial Forecast 2017/18 and 2018/19.

GOVERNANCE REPORT

131. The Corporation noted the following:

- (i) The resignation from the Corporation of Mr Gary Cutress and the Corporation placed on record thanks to Gary for his contributions during his period of office;
- (ii) The return of Lorri Corrie to the Corporation from 1 August 2017 following her sabbatical;
- (iii) The resignation from the Corporation of Mr Cedric Porter with effect from 1 August 2017 and the Corporation placed on record thanks to Cedric for his contributions during his period of office;
- (iv) The resignation from the Corporation of Ms Sharon Lowen with effect from 1 August 2017 and to note that a nomination and election process will commence in September for the new staff governor. The Corporation placed on record thanks to Sharon for her contributions during her period of office; and
- (v) The appointment of Mr John Dinnis to serve on the Corporation for the period 01 August 2017 to 31 July 2021

132. Following recommendations, the Corporation **RESOLVED** to approve the re-appointment of Ms T Bruton and Mr P Morris to serve for the period 01 August 2017 to 31 July 2021.

133. Following the process agreed for the annual election of the Chair and Vice Chair, it was **RESOLVED** to appoint Ms T Bruton to be the Chair for the period 01 August 2017 to 31 July 2018 and to appoint Mr Paul Dubrow as the Vice Chair for the same period.

134. Committee membership details for 2017-18 were received and **NOTED**.

135. The Meeting Schedule 2017-18 was received and **NOTED**.

Section C: Committee Reports

REPORT FROM THE CURRICULUM & QUALITY COMMITTEE

136. The College report '*Unconfirmed Minutes of the Curriculum & Quality Committee, held 08 June 2017*', 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

- Destination Report
- Exceptional Safeguarding Report
- Monitoring of College performance in the area of student experience.

137. The Committee is responsible for making assessments in the area of student experience, teaching & learning. Assessments are to be carried out at each meeting of the Committee through a standing agenda item '*Monitoring of College Performance & Assessment of Risk*', with an overall assessment being made available to the Corporation.

138. One 'Red' (serious concern/risk) assessment was confirmed for progression into HE, with progression at 17% against the target 25%. 'Amber' assessments (some concern/some risk) were reported for 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. 'Amber' assessments were also noted for attendance, with attendance at 91% against the target of 93%; and lesson observations, with good or better lesson observations currently stand at 85% against the target of 93%

139. All remaining performance indicators identified for student experience, teaching & learning were assessed as 'Green' (no concern/no risk).

140. The Committee agreed to inform the Corporation of Hadlow College of a 'Green' assessment (No concern/No risk) against student experience, teaching & learning.

141. It was **RESOLVED** to note the minutes of the meeting of Curriculum & Quality Committee held 08 June 2017.

REPORT FROM THE HADLOW GROUP FINANCE COMMITTEE

142. The College report '*Unconfirmed Minutes of the Finance Committee held 22 June 2017*' was received. The Chair of the Committee presented the report. The Chair confirmed that the Committee received and considered reports on:

- Management Accounts/Financial Performance Report
- R2
- College Budget & 2 Year Financial Forecast
- Capital Portfolio Report
- Tenders
- HR Exceptional Report
- Health & Safety
- Monitoring of College performance in the area of finance and estates.

143. Governors sought an update on the R2 process that has been put in place to generate significant Group savings. It was confirmed that the savings of £4.5M sought from the R2 process is on track to be achieved. The consultation process concludes 30 June. It was confirmed the relationship with the Trade Unions remains positive and professional and there has to date been no risk of any industrial action. Staff communications are being managed at all levels to maintain good staff morale. The process though has been tough, particularly for Hadlow staff, who have not been through such a process before. The Corporation thanked the two governors who participated in the R2 Task Group that met monthly to monitor the progress of R2.

144. Against the 14 agreed performance indicators for the area of finance & estates, four 'Amber' assessments were recorded against operating surplus as a % of income, forecast

year-end outturn against budget, current assets to liabilities ratio, and debtor days. All other assessments were confirmed as 'Green'.

145. As there were some risks identified that could impact on the year-end forecast, the Hadlow Group Finance Committee agreed to inform the Corporation of Hadlow College of an 'Amber' assessment (Some concern/Some risk) against finance and estates.

146. Against eight of the nine agreed performance indicators of the area of staff & human resources, 'Green' assessments were confirmed, and the Hadlow Group Finance Committee agreed to inform the Corporation of Hadlow College of a 'Green' assessment (No concern/No risk) against human resources.

147. The minutes of the Finance Committee meeting held on 22 June 2017 were received and **NOTED**.

HADLOW GROUP AUDIT COMMITTEE

148. The minutes of the Hadlow Group Audit Committee, held 04 July 2017, were received and **NOTED** with confirmation given there were no issues of concern to report to the Corporation.

149. Now that the Group has implemented a Board Assurance Framework and an Internal Controls Framework incorporating External Assurances, the Committee gave consideration to the required scope of internal audit for 2017-18.

150. In terms of internal audit requirements, there is no longer the statutory requirement to have an internal audit service. However, for the Audit Committee to be able to give an opinion to the Board on the robustness of internal controls and the management of risk that is required before the Board can approve the Financial Statements, the Committee needs to receive assurances from a range of sources to enable it to form an annual opinion. In the past this assurance has come specifically from the internal audit service. However, now it is possible to seek assurances from a range of sources. This is what the Board Assurance Framework (BAF) seeks to achieve by seeking assurances against each of the key operational strands of the College, and assurances can be sought from a range of sources - from management, from governing body review, and from external review.

151. The proposal for 2017-18 is to use the internal audit service to give an audit opinion on 'Data Management, Study Programmes and Assurance Compliance'. The Audit Committee would then receive assurances from the components defined in the Board Assurance Framework and from the Internal Controls Framework incorporating External Assurances. In addition, the Audit Committee could call upon the use of any external party to conduct a review of any area identified by the Audit Committee where assurances were required.

152. Committees of the Corporation to review the risks from the Risk Register that fall within the scope of the Committee's terms of reference and to report the outcomes of their review to the Audit Committee. Committees would also be asked to confirm to the Audit Committee any new risks that they may have identified through the work of the Committee.

153. It was **AGREED** for the Committees, at the end of each Committee meeting, to record in their minutes, responses to the following questions:

- (i) Was there anything of significance to bring to the attention of the Corporation arising from the meeting?

- (ii) Were the current risks in the Strategic Risk Register that fall within the Committee's terms of reference appropriate?
- (iii) Were there any new risks identified during the meeting that has to be brought to the attention of the Hadlow Group Audit Committee?

154. The Committee, through the minutes, required formal Corporation approval for a range of documents and re-appointments.

155. It was **RESOLVED**:

- (i) To approve the Financial Statement & Regularity Audit Plan for the Year-end accounts for Hadlow College;
- (ii) To approve the Financial Statement & Regularity Audit Plan for the Year-end accounts for Hadlow Rural Community School; and
- (iii) To approve the annual re-appointment of the Internal Audit Service MacIntyre Hudson as recommended in the Audit Committee minutes for the period 01 August 2017 to 31 July 2018.

Section D: Monitoring

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

156. 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.

157. 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 Hadlow Group Finance Committee)	Some Concern/Some Risk
3	Audit (Agreed by the Hadlow Group Audit Committee)	No concern/No risk
4	Staff & Human Resources (Agreed by the Hadlow Group Finance Committee)	No concern/risk
5	Governance, Leadership & Management (Agreed by the Governance & Search Committee)	No concern/risk

158. In addition to each Committee's overall assessment being reported to the Board, it has been agreed to report to each Board meeting on a range of super KPIs which are deemed to be essential for the Board to monitor to ensure objectives in the College's Strategic Plan are being met.

159. Against the 17 agreed KPIs. 'Amber' assessments were recorded against 3 of the Super KPIs, these being:

- HE Recruitment against the targets set
- Current staff turnover of 8.11% against the national average of 4.85%
- Forecast Year-end Outturn against set budget

160. It was **AGREED** that as the Committees are to report on risks to the Hadlow Group Audit Committee and to report on any issues to the Corporation and, as key KPIs from the Strategic Plan are monitored in the fixed agenda item 'Strategic & Operational Plan', there was no longer the need to have the agenda item 'Monitoring of College Performance' as this would be a duplication of the agreed new reporting framework for the monitoring of risks and College performance.

ANY OTHER BUSINESS

161. As this was the last meeting to be attended by Cedric Porter and Sharon Lowen, farewell gifts were presented to mark their service and contributions to the College. It was noted and welcomed that Mr Porter would continue an association with the Group by being a non-governor co-opted member of the Hadlow Group Finance Committee.

162. Although not in attendance, a vote of thanks was given to the two student governors, George and Rachel, who both made excellent contributions both at Corporation and Curriculum & Quality meetings.

163. A progress update was received on the work in hand to update and revise the College's Safeguarding Policy. Once the policy has been subject to a final review from the Executive, it was **AGREED** to delegate authority to the Chair and Vice Chair to approve the revised Safeguarding Policy, and for the use of delegated authority to be reported to the next meeting of the Corporation.

DATE OF NEXT MEETINGS

Thursday 10/10/17	Corporation meeting and annual Governor Link Scheme lunch	Hadlow 09.30
Thursday 07/12/17	Corporation	Hadlow 09.30

The Part I and Part II meeting closed at 12.00

Signed: _____ Date: _____

SUMMARY ACTION LIST

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	REVIEW
117	If no meeting date is agreed before the end of July, it was AGREED for the Chair of the	7/12/17

	Hadlow Corporation to write to the FE Commissioner to inform him officially of the resolution passed at this meeting and for the letter to summarise the extensive discussions that took place at the Strategy meeting that enabled governors to reach an informed decision. It was further AGREED for the letter to conclude that the matter is now closed as a considerable amount of time has been taken up by the demands and visits from the FE Commissioners Office.	
131(iv)	A nomination and election process will commence in September for the new staff governor.	7/12/17
152	Committees of the Corporation to review the risks from the Risk Register that fall within the scope of the Committee's terms of reference and to report the outcomes of their review to the Audit Committee.	7/12/17
153	It was AGREED for the Committees, at the end of each Committee meeting, to record in their minutes, responses to the following questions: <ul style="list-style-type: none"> (i) Was there anything of significance to bring to the attention of the Corporation arising from the meeting? (ii) Were the current risks in the Strategic Risk Register that fall within the Committee's terms of reference appropriate? (iii) Were there any new risks identified during the meeting that has to be brought to the attention of the Hadlow Group Audit Committee 	7/12/17
160	It was AGREED that as the Committees are to report on risks to the Hadlow Group Audit Committee and to report on any issues to the Corporation; and as key KPIs from the Strategic Plan are monitored in the fixed agenda item 'Strategic & Operational Plan', there was no longer the need to have the agenda item 'Monitoring of College Performance'; as this would be duplication of the agreed new reporting framework for the monitoring of risks and College performance.	7/12/17
163	To delegate authority to the Chair and Vice Chair to approve the revised Safeguarding Policy, and for the use of delegated authority to be reported to the next meeting of the Corporation.	7/12/17