

CORPORATION

DATE: WEDNESDAY 5 JULY 2017

PLACE: WANDSWORTH CAMPUS

TIME: 5.00pm.

PRESENT: Godfrey Allen (Chair), Sue Rimmer (Principal), Cllr Brenda Fraser, Katie Driver, Cllr Stuart Thom, Nanda Ratnavel, Andrew Brown, Colin Hill (except for item 3), Michael Helene (except for item 3), Jonathan Hick, Daud Ilyas.

IN ATTENDANCE Natalie Watt (Clerk to the Corporation)
Christopher Wright, Deputy CEO STC
Sarah Horrell, VP Business & Student Services
Jason Pemberton-Billing, Deputy Principal
Ralph Moran, Director of Finance

1. **Apologies for Absence**
Jennie Hall, Yvette Stanley, Lucy Ashman, Kazi Hossain, Peter Mayhew-Smith (CEO & Group Principal Designate).
2. **Declarations of Interest**
Natalie Watt - Item 3ii only.

PART ONE

3. **Clerk**
Subject to a separate confidential minute

PART TWO

4. **Confidential Minutes of the meeting held on the 7 June 2017.**
 - The minutes were **APPROVED** and signed as a true and fair reflection of the meeting.
5. **Matters Arising**
The matters arising from the meeting of the 29th March 2017 were carried forward for consideration at this meeting:

- **Dashboard** – Members were advised that the dashboard for staff was available and up and running. Members were advised that the Governors dashboard was still experiencing issues with external access links. Members requested that access to the Dashboard and its continuing development be carried forward for the newly merged board to consider. Noted.
- **Development Options** – It was noted that suggestions had been sought as part of the self assessment end of year review. Any ideas arising from the forms would be flagged up for consideration by the new Clerk. Noted.
- **Organisational Health and Safety Chart** – Circulated as requested. Noted that this area may be subject to further change to reflect arrangements in the newly merged College. Noted.
- **VT Usage** – The Deputy CEO confirmed that a detailed breakdown had been reported to the Finance & Resources Committee.
- **Management Accounts** – The Director of Finance confirmed that additional management accounts had been circulated between meetings. Noted.
- **Progress measures for Quality** – Noted that additional information had been provided in the termly reports.
- **Risk Management** – Members were advised that the management accounts reported now included detailed cash flow reports as requested.

6. **Chairs External Meetings** – Update from the Clerk to the Corporation.

Items discussed:

Members were advised that the Chair had attended the following meetings on behalf of the Corporation:

- Governors Council
- AoC Summer Reception and AGM.

Update RECEIVED.

7. **Update on Merger Progress**

i)Feedback from the Shadow Board.

Member's attention was drawn to the minutes of the shadow board meeting held on the 20th June 2017. The Chair invited questions. No queries raised.

ii)Membership of the new Corporation.

- The Clerk to the Corporation tabled a paper that had been provided the day before relating to the confirmation of terms of office. Members discussed the proposals.
- Several Members raised queries on how the terms of office had been reached and by who? The Chair informed the Board that he had not had any further discussions beyond the 3 Chairs meeting and reviewing the initial forms. Noted.
- The Clerk informed Members that she understood that the terms of office were based on responses received from Governors who had submitted applications.
- Following lengthy discussion Members resolved to raise its concerns with the merged Board at its meeting on the 17th July 2017.

- The Clerk was asked to request that the terms of office for Godfrey Allen and Nanda Ratnavel be confirmed as 3 years each.
- That information be provided on who had decided on the terms of office and based on what underlying principles for the first meeting of the merged board. Noted.

Clerk

iii) Implementation Plan

- The Deputy CEO summarised the current position. Members were advised that the banks had completed their due diligence and that final contract terms were being discussed. Members requested that a copy of the due diligence report received by the banks and shared by the Colleges be provided to Members of the current Finance and Resources Committee. Agreed.
- The Deputy CEO confirmed that the bank was seeking to secure the loan for the newly merged College against the property asset of the Wandsworth Campus. Noted.
- The Deputy CEO confirmed that it was anticipated that loan forms would be available for signature before the end of July in relation to the loans.
- Members were also advised that as yet no formal approval had been received by the Secretary of State in relation to the name change.
- Following discussion on pension proposals it was noted that delegated authority would be sought from the merged Board on the 17th July 2017 to progress all legal and financial matters to completion during the summer months as necessary. Noted.
- Discussion followed on the back up plans in place to ensure that all pension rights were protected.
- Members were assured that there were no showstopper risks attached to either the financial loan situation or the pension issues and that it was a question of timing.
- Members requested that any reports on financial or pension matters be circulated as soon as possible.
- Members were assured that there were no TUPE issues identified that that the transfer was anticipated to go smoothly as at 31st July 2017.
- Members queried the timeframe for the production of new prospectuses. The Principal informed Members that work on these had continued regardless of the merger due to the length of lead in time necessary for their production prior to enrolment.

Deputy CEO

Report RECEIVED.

8. DISSOLUTION RESOLUTION – Presented by the Principal and CEO

Items discussed:

- In compliance with the Colleges Instrument and Articles, a draft dissolution resolution of the Corporation of South Thames College was passed at the meeting on the 7th June 2017.
- A notice was published on the 8th June 2017 that the Governing Body of South Thames College intended to pass a resolution to dissolve at its Corporation meeting on the 5th July 2017. This resolution will dissolve the Corporation of the College on the 1st August 2017, the

date of the intended merger with Kingston College and Carshalton College.

The Corporation of South Thames College formally RESOLVED the following:

ANNEX A - Formal resolution to dissolve the Corporation of South Thames College ('STC')

Resolution 1

Having finalised the due diligence on Kingston College ("KC") and Carshalton College ("CC"), the Corporation of South Thames College ("STC") resolves subject to the finalisation of all appropriate documentation relating to the transfer and any arrangements with the Education and Skills Funding Agency regarding the ongoing financing of Kingston College ("KC"):

- a. to
- b. *minute past midnight on 1st August 2017 (or as soon as reasonably possible thereafter subject to the approval of the Corporation of STC (such approval having been given only if KC Corporation and Carshalton College ('CC') have also agreed to the extension in writing) ("Transfer Date");*

b. immediately after the transfer of all the property, rights and liabilities of STC on the Transfer Date to approve the dissolution of STC in accordance with its Instrument and Articles of Government and the powers in section 27A and 27B of the Further and Higher Education Act 1992 (as amended)

c. to ratify that a transfer agreement between STC, CC and KC pursuant to which STC and CC both transfer all its undertakings, assets and liabilities to KC on the Transfer Date was signed by STC (and CC and KC) on 20th June 2017, a final copy of which was produced to the meeting (the "Transfer Agreement");

on the condition that prior to the Transfer Date:

1. the Corporation of KC has passed resolutions to:

- i. ratify its approval of the Transfer Agreement between STC, CC and KC pursuant to which STC and CC transfer all their undertakings, assets and liabilities to KC on the Transfer Date; and
- ii. to accept all the property, rights and liabilities of STC and CC as specified in the Transfer Agreement with effect from the Transfer Date *(or as soon as reasonably possible thereafter subject to the approval of the Corporation of KC (such approval having been given only if CC Corporation and STC Corporation have agreed to the extension in writing);*

2. the Corporation of CC has passed resolutions to:

- i. to approve the transfer of the property rights and liabilities of CC to KC with effect from one minute past midnight on 1st August 2017 *(or as soon as reasonably possible thereafter subject to the approval of the Corporation of CC (such approval*

having been given only after KC Corporation and STC Corporation have agreed to the extension in writing); and

ii. ratify its approval of the Transfer Agreement between STC, CC and KC pursuant to which STC and CC transfer all their undertakings, assets and liabilities to KC on the Transfer Date; and

ii. immediately thereafter to dissolve itself in accordance with its Articles of Government and section 27A and 27B of the Further and Higher Education Act 1992 (as amended).

Resolution 2

The Chair and the Principal be and are hereby authorised:

(i) to progress the transfer of assets and liabilities from STC to KC on behalf of STC;

(ii) to negotiate, agree and execute on behalf of the Corporation all documentation relating to or ancillary to the transfer and dissolution as they see fit in keeping with STC's principles regarding the transfer (noting that the Transfer Agreement was signed on 20th June 2017);

(iii) to represent the Corporation of STC during the transfer process and make decisions on behalf of STC, including in relation to the delay of the Transfer Date (if applicable).

Resolutions detailed above PASSED.

9. Teaching, Learning & Assessment – Presented by the Deputy Principal.

Items discussed:

- Member's attention was drawn to page 31 of the report and the 2015/16 National Achievement Rate Tables Analysis.
- Lengthy and detailed discussion followed on the tables reported from page 31 onwards.
- Members noted that the figures were looking back 12 months.
- Discussion also took place on the changes introduced in the last 12 months and the expected impact on achievement figures for 2016/17.
- Members discussed performance in Maths and English and at the Merton Campus in particular.
- Members challenged the Senior Leadership Team to provide assurance that the predictions offered for 2016.17 would be accurate.
- The Deputy Principal detailed the changes introduced across the College and Members were assured that robust processes were now embedded to ensure that all forecasting was undertaken on actual base data rather than subjective assessment.
- Members queried how external assessment had been undertaken and that there were differences between external assessment and internal assessments.
- Members referred to page 25 of the report and noted the material variations reported. Discussion followed on the impact of poor management and ongoing staffing concerns and challenges in key areas.

- Members noted that recruitment in some areas reflected national issues with obtaining the right mix of skills and experience. Discussion followed on how these issues were resolved in the more successful schools.
- Members discussed what impact on overall achievement as identified at page 32 of the report. Members sought additional information on the underlying causes and breakdowns behind the figures reported on page 32.
- The Deputy Principal agreed to undertake more detailed analysis in the shifts in placement in the tables reported.
- Members noted on page 19 of the report that Wandsworth results are significantly above Merton's, mainly due to the performance of Salon and Sports Services.
- Members also noted that level 2 results are at 25% the disparity between some results in schools was discussed at length and it was noted that this would need further scrutiny by the new merged board. Agreed.
- Discussion followed on the level of detail available and the need to track students at all levels. Discussion followed on the performance of functional skills nationally and the challenges of motivating students in this area.
- Members discussed the reported performance of both Kingston and Carshalton.
- Members discussed the use of different qualifications and approaches used in some Colleges.
- Members discussed the importance of maintaining the College ethos and the need to focus on the inclusiveness agenda.
- Members noted that the Board going forward would need to understand how and what was being monitored in terms of quality across all of the 4 Colleges. Noted.

Deputy Principal

Report RECEIVED.

10. College Performance Indicators (CPI's) for 2016/17 – Presented by the Deputy CEO.

Items discussed:

- Members noted the progress update in paragraphs 5,6 and 7 of the report. Members noted that the staff sickness indicator was down and that this performed well against the sector average.
- Members discussed the impact of the merger on staff morale and the Principal explained the use of the Bradford factor.
- Discussion followed on how stress was monitored within the context of the Health, Safety and Environment Committee.
- Members discussed priority 2 and urged the SLT to consider how best to monitor CPI's going forward.
- Members discussed the need to identify how the College was performing against local London Colleges who were direct competitors as well as against national benchmarks.
- It was agreed that this would be raised for consideration at the new merged Board meetings in the Autumn Term.

Deputy CEO

Report RECEIVED.

11. Curriculum Plan 2017-18 – Presented by the Deputy CEO.

Items discussed:

- Members discussed the need for focussed and detailed review at Committee level.
- Members were advised that the number set out in the report were used to feed into the merged college financial plan. Members noted the high variability in the number in the table presented at paragraph 9.
- Members noted the key points summarised at paragraph 10.
- Discussion followed on recruitment for the following year and the possible reasons for the uplift identified in numbers.
- Discussion followed on the increasing focus on digital marketing and the reputational impact on prospective students that the College had achieved.
- Members discussed the more realistic approach adopted towards predicted progression and the potential opportunities offered for progression within the group college structure.

Report RECEIVED.

12. Risk Management Report 2016/17 – Presented by the Director of Finance.

Items discussed:

- Members noted that the Chair of the Corporation had raised a query in relation to fire risk assessment following the Grenfell tragedy.
- The Director of Finance informed Members that external fire risk assessors were used by the College.
- The Association of Colleges had also provided information to Colleges. Members were assured that appropriate evacuation plans were in place and that all fire risk assessment were up to date and regularly reviewed.
- Members noted that additional checks had been requested on any College buildings that contained cladding but Members also acknowledged that none of these were residential or high risk.
- Members were advised that the merged College would be maintaining the current Kingston contract in relation to insurance and that Governors liability insurance would continue for the merged board. Noted.
- Members discussed risk number 22 and were informed that the EFA had acted to mitigate the reduction in numbers following an appeal by the College. Members noted that the 1640 16-18 numbers referred to included the appeal numbers.
- The Deputy CEO confirmed that the College had not yet received its merged allocation.

Report RECEIVED.

**13. Finance & Resources Committee – Presented by the Director of Finance.
i) Management Accounts 2016/17**

- Members were advised that detailed discussions had taken place at the F&R Committee and were referred to the minutes of that meeting. Members noted the key points identified and the deficit of £3.9m now reported.
- The Chair of the Committee discussed the reasons debated at the Committee for the variation between the last set of management accounts seen by the Committee and the latest ones presented.
- Members were urged to put in place a mechanism for the merged College that would provide them with regular access to the management accounts in between meetings. It was agreed that this point would be taken forward.
- Discussion followed on agency costs. Members also discussed the performance of the business centre in detail and noted the excess income achieved.
- Members discussed some of the significant staffing changes which had also impacted on the budget and predicted deficit. Members discussed the balance sheet and the Profit and Loss Account and noted the higher than expected cash.
- The Director of Finance explained the impact of the accounting system and confirmed that the management accounts reflected the actual cash available.

Chair of the Corporation.

Management Accounts RECEIVED.

ii) Budget 2017/18 – Standalone option.

- The Chair of the Finance and Resources Committee referred Members again to the minutes of the Committee meeting held.
- Members noted that the budget proposed was in relation to option B referred to in previous meetings where the merger did not conclude successfully.
- Members were advised that the budget proposed was a bare skeleton from which a strategic budget would need to be developed. Noted.
- Members were advised that a combined budget had been presented to the shadow board and would be taken forward for the merged College.

Report and recommendations APPROVED.

14. Audit Committee – Presented by the Director of Finance.

Items discussed:

i) Strategic Plan for the audit of the Financial Statements for the 2016/17 year.

- Members noted that the strategic plan for the audit of the Financial Statements was recommended for approval by the Audit Committee.
- The Clerk confirmed that the existing regularity audit would be completed as much as possible prior to hand over. However
- Members noted that an up to date revised audit questionnaire was expected to be released in August.

Strategic Plan for the audit APPROVED.

ii) Internal Audit Strategic Plan – Standalone option.

- Members noted that the plan was proposed in the event that the merger was not successfully concluded and provided an outline basis on which to proceed.

Internal Audit Strategic Plan APPROVED.

15. Minutes of Meetings

i) Audit Committee – Minutes RECEIVED

ii) Quality & Performance Committee – Minutes RECEIVED

iii) Finance & Resources Committee – Minutes RECEIVED

iv) Health, Safety & Environment Committee – Minutes RECEIVED

v) Search & Governance Committee - Minutes RECEIVED

16. Any Other Business

- **SAR report on Governance** – The Clerk noted that some returns remained outstanding. It was agreed that all returned forms would be collated and handed over for consideration to the new Head of Governance.
- **Minutes of the meeting** – delegated authority was sought for these minutes to be approved by the Chair of the Corporation – **Delegated approval granted**

17. Last meeting of South Thames College Corporation.

First meeting of the South Thames Colleges Group (subject to approval of Secretary of State) to take place on Monday 17th July 2017 at 6pm at the Merton Campus.

Signed By: _____

Date: _____