MINUTES OF THE BOARD MEETING HELD ON 25 JANUARY 2017

Present

Dan Amin            Staff Governor
Charlotte Desourdy  Governor
John Doherty        Governor
Ian Falconer        Governor
Josh Fox            Student Governor
Debbie Hilditch     Governor
Chris Holt          Staff Governor
Mathew Lynds        Governor
Paul Pascoe         Chair
John Toon           Governor
Tony Ward           Governor
Meryl White         Governor

The quorum for the meeting was eight members.

In attendance

Rachel Davies       Interim Principal
Mark Stephenson     Clerk to the Corporation
Tony Lawlor         Interim Director of Finance
Catherine Parkinson Deputy Principal

The meeting was held in the Boardroom at the Hub and started at 5.30 pm.

Item                          Minutes                          Action

1  Apologies                   Apologies for absence had been received from Peter Dale and Keri Walker (subsequent to the start of the meeting, apologies had been received from Robert Stubbs).

2  Declarations of Interest   Members were reminded of the need to declare interests as and when they arise within the agenda. It was noted that, as members of staff / a College student, Dan Amin, Chris Holt and Josh Fox have standing interests in matters relating to the High Melton Campus and the proposed merger with North Lindsey College; as do Rachel Davis (Interim Principal and Chief Executive), Catherine Parkinson (Deputy Principal), and Tony Lawlor (Interim Director of Finance).

   Additionally, matters relating to the Senior Staff Employment Committee are
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The minutes were agreed as a true and correct record and signed by the Chair.

**Matters arising:**
- Item 7e: Audit Committee report – it was confirmed that the internal audit report relating to Area Based Review Governance (decision making process), which was approved by the Board at its meeting on 14 December 2016, has been submitted to the Skills Funding Agency; it confirmed that the resultant recommendations are included in the minutes of the recent meeting of the Strategic Options Committee.

| 4    | Confidential Minutes of the meeting held on 14 December 2016 and any matters arising | |

It was suggested and agreed that this item is picked up for consideration at item 10 below.

| 5    | Presentation | |

With the aid of an electronic presentation / slides, Members of the Executive, Governors received a contextual summary of the key strategic aspects facing the College at present, under the following headings:
- Strategic context of decision making;
- Ofsted Inspection (April 2016) – summary of outcomes;
- Educational Vision 2016/17 onwards;
- Financial position (with reference to information in the pack, including a reminder of the targets previously agreed by the Board and the letters received from the College’s bankers);
- Challenges and opportunities; and
- Benefits of a merger with North Lindsey College.

Reference was also made to a recent, generally positive meeting with SFA representatives (attended by the Chair), who, during a period that requires closer financial scrutiny, recognise that the College is undertaking much work to address its current issues / concerns.

There was some reflective discussion about the College’s performance over the last few years and the related circumstances / influences (largely external); reference was made to positive / negative developments which have each had an impact on the College over the last 4-5 years. The Executive and Governors have been fully committed to the success of its students (resulting in Good Ofsted inspections in 2013 and 2016) and, in the last couple of years, (based on a strong national governmental focus) on provision of English and maths; this has been reflected in
the financial plans, which were agreed as appropriate decisions made by the Board at the time. Deficit budgets were agreed subject to development / implementation of a recovery plan, which would balance the desire for high quality provision for students and the need for sustainable financial performance.

6 Doncaster College - Securing the Future

Governors received and noted a report, Securing the Future, which sets out a proposed rationale for addressing the College's financial position and returning to an operating surplus, in accordance with the Board's resolutions at its meetings on 9 November and 14 December 2016. It was noted that action has already been taken to reduce the in-year deficit budget through savings of £250k. A range of further short, medium, and longer term measures (cost savings and opportunities for growth) are currently being considered. The document will form the basis of any required consultation with recognised trade unions and staff.

Through Governors’ questions and discussion, a number of key points were made:

- A key aim will be to minimise the impact of any changes made on the College’s students and staff;
- All areas of expenditure are being reviewed – non-pay and pay; this includes consideration of the nationally-recommended pay award (1%);
- Apprenticeships – as part of the Sheffield City Region ABR, the College gave its commitment to / participation in a new joint apprenticeships company;
- Income generation / growth – to include consideration of increasing prices / fees charged (as appropriate) and pursuit of more profitable activities; reference was made to other income sources / initiatives such as health and social care provision with the teaching hospitals;
- Scope for the College to offer A-levels – it was recognised that this could be something to be considered in the longer term – not part of the current rationale;
- Pensions – the document should include information relating to agreed changes in arrangements;
- The introduction of a salary sacrifice scheme to potentially increase annual leave was suggested; it was noted that this is unlikely to achieve the required savings.

RESOLUTION (C01/17):
Governors endorsed the rationale to address the College’s longer term financial sustainability.

7 High Melton Campus

Governors received and noted a detailed report that provided an Appraisal of the Future Viability of the High Melton Campus; it included an extract of the College’s Financial Statements for year ended 31 July 2016 (considered by the Board at its meeting on 14 December 2016) and copies of letters from the College’s bankers detailing its current view of the College and its next steps. The report proposes the
consolidation of the College curriculum into the main purpose-built site campus (the Hub) on both financial and educational grounds.

It was confirmed that the report has also been considered by the Strategic Options Committee at its meeting on 23 January 2017; the key points discussed at the meeting were summarised with the support of an aide-memoire. The three recommendations (each with different timescales) were highlighted for Governors’ consideration, with reference to further analysis to be undertaken by the Executive (as identified in the aide-memoire).

Through Governors’ questions and discussion, a number of key points were made:
- Confirmation that the High Melton Campus has been considered at other Board meetings over the last few years;
- Important to closely manage the proposed relocation of the High Melton Campus curriculum and the associated risks;
- The relocation would lead to a better education offer for the High Melton curriculum; progress would be monitored by the Strategic Options Committee, with a remit to keep the Board informed of developments;
- Executive preference (on both educational and financial grounds) for the relocation project to be commenced immediately – potentially for September 2017 completion;
- Implementation plans – important to consult with students and staff;
- Important to consider the premises / security costs of an empty site;
- Other stakeholders – initial contact with HEFCE indicates that it has no regulatory concerns about the proposed relocation; similar enquiries will be undertaken with the College’s higher education partners;
- Pressure on the Executive – it was confirmed that the capacity of the Executive is being monitored by the Senior Staff Employment Committee; the Executive is to consider the merits of appointing an external project manager;

RESOLUTION (C02/17):
Governors unanimously approved all three recommendations:
- The re-location of the High Melton Campus curriculum including all educational provision to the Hub or suitable alternative;
- The cessation of all other relevant and appropriate operations at the High Melton Campus to be effected at the earliest opportunity; and
- The management team to progress all necessary assessments to consider and implement the disposal of the High Melton Campus.

Additionally, in the context of forthcoming consultations, it was agreed that all Governors maintain confidentiality in respect of the above discussions and decisions made about the High Melton Campus.

8 Proposed Merger with North Lindsey College (NLC)

Governors received and noted several reports for consideration:
- Merger Options Report, consisting of two key documents (prepared by North
Lindsey College, with the input of Doncaster College, as a requirement of the North Lincolnshire Area Based Review) – Strength through Partnership and Options Assessments for Merger between North Lindsey College and Doncaster College;

- Guiding Principles for Board Decisions related to merger / federation / strategic collaboration (previously agreed by the Board);
- Joint Risk Register (Merger);

It was confirmed that the reports, along with a verbal update on a Chairs and Vice Chairs meeting with NLC (4 January 2017), have also been considered by the Strategic Options Committee at its meeting on 23 January 2017; the key points discussed at the meeting were summarised with the support of an aide-memoire. The three recommendations were highlighted for Governors’ consideration.

It was noted that the Chairs and Vice Chairs meeting with NLC had been positive, with much enthusiasm from North Lindsey College for the merger and a confidence that issues will be overcome following a thorough, non-hurried approach; the group next meets on 3 February 2017.

Also, the Joint Management Team continues to meet regularly to consider key merger issues; more recently, discussions have focused on a number of priorities, such as pensions, due diligence, and communications strategy.

Through Governors’ questions and discussion, a number of key points were made:

- Due diligence – confirmation that the tendering process for the College’s due diligence has commenced; the terms of reference include a focus on financial viability and strengths and weaknesses of both colleges individually and the merger college;
- Options Assessments document (page 1) that sets out North Lindsey College’s key principles / approach to the merger with Doncaster College; specifically, the importance placed on NLC’s maintenance of its outstanding financial health for the achievement of the merged college’s financial plan; the merger is viewed as mutually attractive / positive;
- It was confirmed that a potential 3-way merger, to include John Leggott College, is now not being considered;
- Overall, Governors were assured that positive progress is being made and that this is being closely monitored by the Strategic Options Committee;

RESOLUTION (C03 / 17):
Governors considered the recommendations of the Strategic Options Committee and approved the three recommendations:

- The progression of a potential merger with North Lindsey College, recognising the financial, educational and economic benefits set out in the paper, Strength through Partnership;
- Endorsement of the Options Appraisal by North Lindsey College, including the endorsement and achievement of the assumptions underpinning the financial plan if merger between the two colleges is to be finally approved by the
North Lindsey Corporation; and

- The Joint Risk Register (Merger), subject to inclusion of an additional risk - the College Executive not having the skills and capacity to drive the merger forward.

9 Date and Time of Next Meeting

The next meeting of the Board will be held on Wednesday 29 March or 5 April 2017 (to be determined).

Rachel Davis, Catherine Parkinson, Tony Lawlor, Dan Amin, Chris Holt, and Josh Fox left the meeting at 7.18pm.

10 Report from the Senior Staff Employment Committee - 23 January 2017

Item 10 of the meeting is deemed as confidential as it contains personal information. The minutes are held separately by the Clerk.

The confidential minutes of the Board meeting (which relate to Senior Staff Employment Committee matters) were agreed as a true and correct record and signed by the Chair.

The meeting closed at 7.36pm.

Mark Stephenson
Clerk to the Corporation

Signed: ................................................... (Chair) Date: ...............................