



**MINUTES OF THE BOARD MEETING HELD ON MONDAY 30 OCTOBER 2017**

**Present**

Charlotte Desourdy	Governor
Ian Falconer	Vice Chair
Debbie Hilditch	Governor
Gavin Hinchliffe	Staff Governor
Nigel Jackson	Staff Governor
Paul Pascoe	Chair
Paul Senior	Governor
Robert Stubbs	Governor
John Toon	Governor
Anne Tyrrell	Interim Joint Chief Executive
Keri Walker	Student Governor

The quorum for the meeting was eight members.

**In attendance**

Laura Clark	Clerk to the Corporation
Peter Doherty	Interim Chief Operating Officer / Merger Project Lead
Mark Stephenson	Assistant Clerk to the Corporation
David Reeve	Interim Director of Finance
Nathan Lucas	Eversheds Sutherland LLP

The meeting was held in the Boardroom at the Hub and started at 9.10 am.

<b>Item</b>	<b>Minutes</b>	<b>Action</b>
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**1 Apologies**

The Chair welcomed everyone present to what is expected to be the final meeting of the Doncaster College Board, in advance of the proposed merger with North Lindsey College (NLC) scheduled to take place on 1 November 2017. The Chair thanked all Governors for their significant time and commitment to the College, and also for their professional support over the last two years in his role as Chair.

Apologies for absence had been received from John Doherty, Josh Fox, Mathew Lynds, Mark Swales, and Meryl White.

Eversheds Sutherland has acted for both colleges, and Nathan Lucas is in attendance to provide advice on the necessary signatories for the merger documentation.

**2 Declarations of Interest**

Members were reminded of the need to declare interests as and when they arise within the agenda. There were no new declarations of interest.

**3 Minutes of the meeting held on 18 October 2017 and any matters arising**

The minutes were agreed as a true and correct record and signed by the Chair.

Item	Minutes	Action
	<p><b>Matters arising:</b></p> <ul style="list-style-type: none"> <li>Item 7: High Melton curriculum relocation – in recognition of the effective implementation of the relocation plan, it was reported that staff have been thanked for their positive approach and commitment; reference was made to two thank-you events for staff.</li> </ul>	
4	<p><b>Confidential Minutes of the meeting held on 18 October 2017 and any matters arising</b></p> <p>The minutes were agreed as a true and correct record and signed by the Chair. It was noted that there were no matters arising.</p>	
5	<p><b>Determination of Any Other Business</b></p> <p>The Chair began by thanking the Merger Project Management team for the significant amount of work which had been undertaken ahead of the merger, and the achievement of the deadline of 1 November 2017 (subject to all legal and banking documents being finalised and signed).</p> <p>The Interim Joint Chief Executive provided a verbal update on four key issues / developments in relation to the merger:</p> <ul style="list-style-type: none"> <li>ESFA – last week the College had received notification of the ESFA's expectation that the student records of both the College and NLC should be merged by 2 November 2017; the College had responded that this was not possible (potential non-compliance) for a range of reasons; and following further discussions with ESFA representatives, it has now been agreed that the ILRs (Individual Learner Records) for both colleges will be combined at the end of 2017/18;</li> <li>Banking arrangements – after negotiations about the terms of the loans, it has been agreed the bank's preference for the inclusion of a term that would require the merged college to re-negotiate its loan/s in the event that the college is judged by Ofsted as 'requiring improvement', will not be included in the formal agreement;</li> <li>University link – whilst the College had been surprised to hear from the University of Hull that it was unaware that Doncaster College would be the dissolving partner in the merger (a formal letter of support had been received from the University of Hull in response to the merger Consultation), it has now been agreed that the terms of contract between the University and the DN Colleges Group will be re-negotiated next year;</li> <li>Rail firms – further work relating to the College's contractual arrangements with two rail firms is to be undertaken, in order to ensure compliance with the new apprenticeships model.</li> </ul>	
6	<p><b>Decision to merge</b></p> <p>A paper, which had been previously distributed and included copies of several documents (substantially in their final form and listed below) to effect the proposed merger at 11.00 am on 1 November 2017, was introduced and explained by P Doherty:</p> <ul style="list-style-type: none"> <li>A transfer deed in respect of all the assets and liabilities of Doncaster College;</li> <li>A Land Registry TR5 Form in respect of the transfer of Doncaster College properties;</li> <li>A stock transfer form in respect of the share capital of DC Teach Ltd;</li> <li>Banking documents to execute the loan re-financing arrangements (as per the terms</li> </ul>	

presented to and agreed by the Transition Group on 4 October 2017) i.e.

- Deed of Amendment, Restatement and Novation for continuation of a Doncaster College fixed rate term loan;
- Facilities Agreement to update terms / enable a new revolving credit facility to replace three other Doncaster College loans being fully repaid;
- Legal charge for bank;
- Consent letter (NLC bankers); and
- Officers' certificates.
- Draft extracts from the minutes of Doncaster College and NLC board meetings for the merger resolutions and approval of banking documents.

It was noted that the same documents are to be considered by the NLC Board at its meeting at 5.30pm today.

Additionally, attention was drawn to paragraph 6 of the Transfer Deed, which sets out the power of attorney arrangements in the event that related formal actions are required to be undertaken on behalf of Doncaster College following its dissolution.

It was also confirmed that, with regard to Doncaster College subsidiary companies, the Board of DC Teach Ltd will meet directly after this meeting and that Waterdale Trading ceased trading earlier this year and no longer exists.

Through Members questions and in discussion regarding the banking / loan arrangements, a number of key points were made including;

- A fixed rate term loan will continue and transfer to NLC;
- Two smaller fixed rate loans are to be repaid on 1 November 2017 with break costs of approximately £150k, which should be set against the circa £40k per year saving on interest costs; a further variable rate loan will also be repaid on 1 November 2017 (no break costs);
- A Sterling Term and Revolving Facilities Agreement will replace the three repaid loans, with funds drawn down on an if and when required basis (with lower interest rates); reference was made to the model documents / forms included in the schedules of the Agreement;
- NLC bankers – it was confirmed that there is no change to its existing loan arrangements, other than the fact that it is to be secured against two NLC properties;
- The financial covenants attached to all loans have been reviewed by the Merger Project management team.

There were no further queries, and Governors conveyed their thanks to all those (from both colleges) involved in progressing the merger and related documentation. The Merger Resolution as prepared by Eversheds Sutherland (and included in the papers) was formally unanimously agreed.

## **RESOLUTION (C 51/17):**

### **1. MERGER RESOLUTION**

#### **1.1 IT WAS UNANIMOUSLY RESOLVED that following:**

Item	Minutes	Action
1.1.1	publication of the results of a statutory consultation exercise undertaken by the Corporation of Doncaster College (as required under The Further Education Corporations (Publication of Proposals) (England) Regulations 2012);	
1.1.2	the carrying out of due diligence exercises in respect of the Corporation of North Lindsey College; and	
1.1.3	publication of the draft resolution of the Corporation of Doncaster College to dissolve and provide for the transfer of its assets, rights and liabilities	
	the Corporation of Doncaster College hereby unconditionally <b>RESOLVES</b> to merge with the Corporation of North Lindsey College with effect from 1 November 2017, with the Corporation of Doncaster College dissolving at 11:00am on 1st November 2017 and its assets, rights and liabilities transferring immediately before that time to North Lindsey College (" <b>Merger</b> ").	
1.2	In respect of the Merger, drafts of the following documents, in substantially their final form, were tabled for consideration:	
1.2.1	a transfer deed in respect of all the assets and liabilities of the Corporation between the Corporation as the transferor and North Lindsey College as the transferee;	
1.2.2	a stock transfer form in respect of the entire issued share capital of DC Teach Limited (CN: <b>08918502</b> ); <b>and</b>	
1.2.3	<b>form TR5 in respect of the transfer of the Properties from the Corporation to North Lindsey College;</b>  <b>together the "Transfer Documents".</b>	
1.3	<b>IT WAS FURTHER RESOLVED:</b>	
1.3.1	that the following people shall be fully authorised signatories (the " <b>Authorised Signatories</b> ") to represent the Corporation in its merger discussions with the Corporation of North Lindsey College and towards all third parties, including without limitation, making all the necessary arrangements and to draft, prepare, circulate and sign all the necessary letters or documents (including the Transfer Documents) on behalf of the Corporation with respect to the Merger and the operations of the merged colleges:	

Item	Minutes	Action
1.3.1.1	Paul Pascoe, Chair of Corporation	
1.3.1.2	Debbie Hilditch, Governor; and	
1.3.2	the Corporation's seal may be affixed to the Transfer Documents and any other agreement which has been approved by an Authorised Signatory in accordance with the provisions of the Corporation's Instrument of Government in the presence of any two members of the Corporation.	
2.	<b>APPROVAL OF BANKING DOCUMENTS</b>	
2.1	The Corporation <b>NOTED</b> the update provided by Peter Doherty, Project Manager Lead, at the meeting regarding the banking arrangements to be made by the Corporation following the transfer of the Corporation's assets rights and liabilities to North Lindsey College in connection with the Merger on 1 November 2017 (the " <b>Banking Transfer</b> ").	
2.2	In respect of the Banking Transfer, drafts of the following documents, in substantially their final form, were tabled for consideration:	
2.2.1	a deed of amendment, restatement and novation relating to a facilities agreement originally dated 20 October 2008, as amended on 31 July 2009, 29 September 2011 and 20 January 2014 between the Corporation as borrower and Lloyds Bank plc (the " <b>Lloyds</b> ") as lender (the " <b>Amendment and Restatement Agreement</b> "); and	
2.2.2	an officer's certificate in the form attached as Schedule 3 to the Amendment and Restatement Agreement (the " <b>Officer's Certificate</b> ");	
	together the " <b>Finance Documents</b> ", each a " <b>Finance Document</b> ".	
2.3	After due and careful consideration of all the circumstances and on being satisfied that it is for the benefit of the Corporation and in the interests of the Corporation for the purpose of furthering its charitable objects, education mission and carrying on its activities <b>IT WAS RESOLVED</b> that:	
2.3.1	the Corporation had taken such advice as it considered necessary to make its own independent decision to enter into the Amendment and Restatement Agreement and to provide the Officer's Certificate;	
2.3.2	subject to such amendment and modifications as the Authorised Signatories, Paul Pascoe, Chair of Corporation and Debbie Hilditch, Governor, may in their absolute discretion think fit, the terms of the draft Finance Documents and of all draft ancillary or supporting documents as considered in or in connection with the Finance Documents be approved;	

Item	Minutes	Action
2.3.3	the Corporation's entry into, execution, delivery and performance of each Finance Document were approved;	
2.3.4	Paul Pascoe, Chair of Corporation and Debbie Hilditch, Governor, be authorised to sign the Finance Documents and all such documents required by Lloyds in connection with the Finance Documents; and	
2.3.5	the Corporation's seal may be affixed to the Amendment and Restatement Agreement or any other ancillary or supplemental documents, certificates or statements to be executed as a deed by the Corporation pursuant to the terms of the Finance Documents in accordance with the provisions of the Corporation's Instrument of Government in the presence of Paul Pascoe, Chair of Corporation and Debbie Hilditch, Governor.	

It was noted that the Merger is also subject to the approval of the NLC Board later today.

**7 Date and Time of Next Meeting**

The first meeting of the DN Colleges Group Board will take place on Wednesday 1 November 2017 at 5.30pm in the Boardroom, Doncaster College.

The meeting closed at 9.50 am.

**Laura Clark  
Clerk to the Corporation**

**Signed:** ..... (Chair)

**Date:** .....