



## CORPORATION BOARD

### Minutes of a Meeting 10.00am on Thursday 8<sup>th</sup> December 2011 Gwynne Holford Room

**Present:** Mr Graham van der Lely (Chair) (GVdL)  
Mr Bob Barnett (RB)  
Mr David Barnett(DB)  
Mrs Rosamund Blomfield-Smith (RBS)  
Mr Mike Burton (MB)  
Mr Duncan Clegg (DC)  
Mr David Crawford (DC1)  
Mr Mark Davison (MJD)  
Councillor Tony Hicks (AH)  
Mrs Jane Holderness-Roddam (JHR)  
Mr Edward Keene (EK)  
Ms Emily Piddington (EP)  
Professor Ron Ritchie (RR)  
Mr David Seymour (DS)  
Mr Malcolm Wharton (MW)  
Mr Charles Whitehouse (CW)  
Ms Hannah Willmott (HW)

**In Attendance:** Mr Graham Ledden (GL)  
Mr Luke Rake (LR)  
Dr Stephen Waite (SW)  
Mrs Lesley Worsfold (LW)

**Apologies:** Mr Martin Baber  
Mrs Barbara Buck  
Mr Ken Nottage

**Minutes:** Mr Rob Lee

		ACTION	ACTION DATE
<b>045/11</b>	<b>Apologies</b> The Chair welcomed Mr John Golding from Grant Thornton. Apologies for absence were received from Mr M H Baber, Mrs B Buck and Mr K Nottage.		
<b>046/11</b>	<b>Declaration of Interest – Paper C046/12/11</b> The Clerk advised that member’s interests would be taken as those		

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	disclosed in the Register of Members Interests. There were no declarations of members interests for agenda items.		
	<b>Part 1 Priority Agenda Items</b>		
047/11	<p><b>To receive and approve</b></p> <p><b>47.1. Key Issues Memorandum, Letters of Representation and Financial Statements. Paper C047.1/12/11</b></p> <p>JG introduced the Audit findings for the year ended 31<sup>st</sup> July 2011. JG advised that this had been presented to the Audit Committee who had reviewed the report and recommended it for approval to the Corporation. GL confirmed that the Financial Statement was consistent with the July Management Accounts. JG referred Members to the Key Issues Memorandum and advised that the Memorandum summarises the matters that have come out of the audit. JG advised that the first part of the commentary gives key number comparisons to last year and he confirmed to MW that this was after reduction for FRS17. JG asked Members to note the large reduction in the pension deficit and the bench mark analysis. The current ratio at 0.48 against a GFEC bench mark of 1.50 is due to our high level of borrowing and residential accommodation. It was also noted that our pay to income was 44.0% against GFEC average of 64.0%. The key audit issues were discussed. JG advised that the audit had concluded that the College had reasonable grounds to support the preparation of its financial statements as a going concern. JG advised that as part of their testing it was noticed that retentions were not being capitalised on items under construction and this resulted in an understatement of £121,926.00 but this has no impact on the reported surplus. JG confirmed that discussions were still taking place on the deferred tax issue with Limbury Ltd. JG also advised that the audit had a provision for dilapidations on the Dingle was £44,000.00 larger than the amount currently provided but they consider this not to be materially misstated. JG outlined the unadjusted misstatements and confirmed that none were material. JG then outlined the assumptions that had been used and confirmed that these had been tested against national sector benchmarks. Only one relating to cash was not in line and JG advised that this did not have a material impact. JG advised that the consolidated income and expenditure account in the Financial Statements showed a tax payment for the first time but explained that this was a technical issue and the College would not end up paying as it should be eradicated by a gift aid payment from Limbury Ltd. RBS confirmed that the Financial Statements had been discussed in detail at the last Audit Meeting and complemented the Finance Department on their good work.</p> <p><b><i>The Key Issues Memorandum for the year ended 31<sup>st</sup> July 2011 was approved by the Corporation.</i></b></p> <p><b><i>The consolidated College Financial Statement for the year ended 31<sup>st</sup> July 2011 was approved by the Corporation.</i></b></p> <p><b>47.2. Financial Statement Limbury Ltd. Paper C047.2/12/11</b></p> <p>GL advised that the principle activity of the company was property</p>		

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<p>development and rental. The results showed a loss for the year of £98,179.00 and a net gift aid to Hartpury College of £840,000.00. In response to GvdL GL advised that the income remained as last year as rents had not been increased within Limbury Ltd. JG advised that as previously discussed the potential deferred tax liability the College was seeking to remove by moving residential accommodation to the College. In response to MW GL advised that the reclassification of colleges as part of the public sector should not have an impact on taxation issues. In response to DS GL advised that there should be no retrospective liability as we will be able to gift aid but still looking at possible outcomes with Grant Thornton to see if there are any other areas of concern such as VAT or capital gains and a report will be made to both GMC and Audit.</p> <p><b><i>The Financial Statement for Limbury Ltd. for the year ended 31<sup>st</sup> July 2011 was approved.</i></b></p> <p><b>47.3. Financial Statement Rudgeley Services Ltd. Paper C047.3/12/11</b></p> <p>GL introduced the financial statements for Rudgeley Ltd. and advised that the principle activity of the company was the provision of transport. GL advised that the company had been set up to separate this area of activity for VAT purposes GL advised that there was nil profit for the year and net gift aid payable to the College was £29,122.00.</p> <p><b><i>The Financial Statement for Rudgeley Ltd. for the year ended 31<sup>st</sup> July 211 was approved.</i></b></p> <p><b>47.4. Learner Record Systems Audit. Paper C047.4/12/11</b></p> <p>MW advised that the audit was important as it gave confidence that all FE students had been recorded correctly. JG advised that the audit had shown that there had been considerable improvement on the previous year. JG advised that all the recommendations from the previous year had been implemented. JG advised that there were two recommendations, one of medium priority and one low priority and were not systematic problems but errors. In response to MW GL advised that the internal auditors would make checks to see if the success rates were being incorrectly enhanced. In response to AH MW advised that this audit was no longer mandatory but felt that it was appropriate to conduct annually to give assurance on our processes.</p> <p><b><i>The ILR Audit Report for the year ended 31<sup>st</sup> July 2011 was approved.</i></b></p> <p><b>47.5. Sign Financial Statements and Letters of Representation</b></p> <p>JG was able to confirm that there were no material changes in the Letter of Representation from the previous year.</p> <p><b><i>The Letter of Representation for the Audit and the Financial Statements for Hartpury College, Limbury Limited and Rudgeley Limited for the year ended 31<sup>st</sup> July 2011 had been approved and were signed by the Chair, Principal and Directors.</i></b></p> <p>Mr John Golding left the meeting.</p>		

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<p><b>048/11</b></p>	<p><b>To receive and approve:-</b></p> <p><b>48.1. Internal Audit Annual Report. Paper C048.1/12/11</b></p> <p>GL advised that the Report was provided by Mazars and covers their work which had been finalised in respect of the 2010/2011 internal audit plan. GL advised that nine audits had been carried out during the year and the subsequent reports had contained 26 detailed recommendations to College Management to address weaknesses in design and/or operation of controls. This was against 27 recommendations in 2009/2010, 30 in 2008/2009 and 39 in 2007/2008 therefore showing an encouraging trend. There had been no new high priority recommendations resulting from the reviews. GL confirmed that we had fully cleared 80% of recommendations set out in the audits and 20% had been partially cleared from the previous years reports. In response to JHR GL confirmed that there had been a loss of cash at one of the equine events and there had been an internal investigation and an internal audit report on the matter. New procedures were now in place. RBS confirmed that as Chair of Audit Committee she had been notified of the loss at the time. The Report was able to give a positive opinion on the effectiveness of the Colleges risk management, control and governance processes.</p> <p><b><i>The Internal Audit Annual Report for the period ended 31<sup>st</sup> July 2011 was approved by the Corporation.</i></b></p> <p><b>48.2. Audit Committee Annual Report. Paper C048.2/12/11</b></p> <p>RBS referred Members to the Audit Committee Annual Report and confirmed that the report had been discussed and approved by the Audit Committee. RBS outlined the work of the Committee over the year and advised that changes had been made to the Risk Management system and the reporting methodology during the year and advised that this was still work in progress. RBS referred Members to Section 12 of the Report – the opinion on the College’s system of control confirming that the College had adequate and effective controls in place.</p> <p><b><i>The Audit Committee Annual Report for 20010/11 was approved by the Corporation.</i></b></p> <p><b>48.3. Approve amendment to Audit Terms of Reference. Paper C048.3/12/11</b></p> <p>The Clerk advised that the only changes were to the Membership.</p> <p><b><i>The amendment to the Audit Terms of Reference was approved.</i></b></p>		
<p><b>049/11</b></p>	<p><b>Minutes of the Last Meeting – Paper C049/12/11</b></p> <p>Minutes of the meeting held on the 20<sup>th</sup> October 2011 were agreed to be a true and accurate record and signed by the Chair.</p>		

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<p><b>050/11 Matters Arising</b></p> <p><b>50.1. Update on Sports Academy Roof</b></p> <p>MW advised that the work has been costed at £314K. GL advised that the suggestion of issuing protective writs against the parties has been discounted as it is apparent that we are out of time in respect of making a claim. It seems as though the contract with the builder was never executed. In response to GvdL MW advised that a Project Manager had been appointed at the time and it would have been their responsibility to have ensured that contracts were executed. In response to MB MW advised that the company that project managed the contract has been bought by another company and MB felt therefore that they could still be pursued on this matter. GL advised, however, that our legal advice was that it was too late. MW further advised that we had had problems with both the architect and the builder on this project. In response to RB GL advised that there was a provision in the accounts and we may be able to allocate a £100K grant from SFA for this remedial work. The Sports Academy will have to be vacated whilst the work is carried out. AH asked what lessons had been learnt and GL advised that due diligence is now carried out on all contractors before tenders are sent out and we should get contracts signed before work is started. MW advised that very often work is started due to time constraints before the contracts are signed and we must look at this for the future.</p> <p><b><i>An update will be made to the next meeting.</i></b></p> <p><b>50.2. Update on bid for HE numbers.</b></p> <p>SW advised that after the last meeting a small sub group had met, as had been suggested, and we subsequently submitted our bid for 600 new HE numbers. SW advised that we should have an answer by 27<sup>th</sup> January 2012. In response to RB SW advised that he understood that 27 universities had applied but was not sure how many colleges or whether the original targeted number of 20000 extra numbers for FE had been exceeded. MW advised that HE applications for 2012/2013 are currently 22% down on last year and that if we were successful in our bid for 600 then a marketing campaign would be necessary. SW advised that the current level of applications were the same as 2009/2010 so it was not a reflection on the College. RR advised that there could be a further complication as the Minister was not happy for universities to take back numbers. MW advised that we would not be able to keep the 600 plus our current allocation of 460 and that the introduction of differential fees could be problematic. The Vice Chancellor of the University of the West of England had recently re-stated the importance of the Hartpury partnership.</p> <p><b><i>An update will be made to the next meeting.</i></b></p>		<p><b>MW</b></p> <p><b>SW</b></p>	<p><b>08/03/12</b></p> <p><b>08/03/12</b></p>
<p><b>051/11</b></p>	<p><b>Review Strategic Action Plan. Paper C051/12/11</b></p> <p>The Strategic Plan had been reviewed at the Governors Away Day.</p> <p><b>51.1. Mergers and collaborations.</b></p> <p>MW advised that in the Chancellors Autumn Statement it was announced</p>		

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	<p>that the issue of having to charge VAT on shared services would be resolved. GL confirmed that this should be available by April 2012.</p> <p><b><i>It was agreed that a paper on options for collaboration and merger will be discussed at the next GMC.</i></b></p>	<b>MW</b>	<b>01/02/12</b>
<b>052/11</b>	<p><b>Discuss and approve College Self Assessment Report 2010/2011. Paper C052/12/11</b></p> <p>LR advised that College Self Assessment Report was an annual requirement and outlined the process that had commenced in April and completed recently with a validation exercise with Landex. The Assessment had been discussed at the last meeting of the Quality and Standards Committee and a number of changes had been proposed which were incorporated in the final report. LR confirmed that the format was similar to the previous year with some extra course points being added. LR believed that the key page in the report was that which gave the overall success rates for the academic year and we would be judged by Ofsted on this data. Success rates continue to improve and it was an excellent performance with only one area, Short Courses Level 3 which had only 31 enrolments, falling below national benchmark. LR confirmed that the results exceeded all of the governor KPI's that had been set. LR referred Members to the section outlining A Level grades achieved. RR advised that the Quality and Standards Committee had discussed the A Level grades and explored issues around them. The link with sport has now been changed and the current year 2 and the new year 1 are demonstrating higher ability and this should result in the proportion of higher grades rising. MW advised that Ofsted were shifting their main focus from success rates to quality of teaching in the classrooms which was not one of our outstanding areas. LR confirmed that we had measures in place to improve this area.</p> <p><b><i>The Self Assessment Report 2010/2011 was approved.</i></b></p>		
<b>053/11</b>	<p><b>Discuss and approve policy on the Determination of Tuition Fees for 2012/2013. Paper C053/12/11</b></p> <p>GL advised that it was necessary for the Corporation to determine tuition and other fees and this was a requirement of the Instrument and Articles of Government. MW advised that this majorly relate to FE fees as the majority of HE are set by UWE with the College setting HE international and Masters fees.</p> <p><b><i>The Corporation delegates to the Principal the setting of tuition and other fees for 2011/2012 subject to the approval of the Governors Management Committee.</i></b></p>		
<b>054/11</b>	<p><b>Review performance to Governor Targets.</b></p> <p>The Chair advised that performances to our targets are reviewed on an annual basis.</p> <p><b>54.1. Key Performance Indicators. Paper C054.1/12/11</b></p>		

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	<p>The Clerk advised that the performance in green type showed the KPI's that had been achieved which were the majority. Amber denoted close to target and red where the target had been missed. There was an improvement over last year in the performance to the FE Academic Performance with only 1 of the targets relating to lesson observations being missed. In response to AH LR advised that there were two key areas of weakness, Agriculture and Animal Care and changes had been made to help develop these areas. HE targets are now monitored against UWE KPI's and performance was listed. In response to GvdL SW confirmed that data was retrospective and that the target of 72% for student satisfaction had been exceeded at 77%. Performance of commercial outlets had been discussed by the GMC with transport, equine, stud and the farm all missing budget although this would not have been the case with equine if £150K had not been spent on replacing the surface. In response to RB LW advised that all academic staff received appraisals and 80% of support staff, which was an improvement on previous year. LW expected 100% of all staff to receive appraisals during this year.</p> <p><b><i>The Governor KPI's would be reviewed at the next meeting of the GMC.</i></b></p> <p><b>54.2. Governance. Paper C054.2/12/11</b></p> <p>The Chair confirmed that all targets had been achieved with the exception of governor training which had been replaced by a strategic planning day.</p> <p><b><i>The Governance Performance Targets will be reviewed at the next meeting of the Search and Governance Committee.</i></b></p>	Clerk	01/02/12
	<p><b><i>The Governance Performance Targets will be reviewed at the next meeting of the Search and Governance Committee.</i></b></p>	Clerk	01/02/12
<b>055/11</b>	<p><b>Discuss the completion of Chairs Appraisal documentation. Paper C055/12/11</b></p> <p>Some governors questioned the validity of the process and the questions being too detailed. GvdL advised that the process was taken from a NHS model and approved by the Search and Governance Committee. GvdL further advised that appraisal of the Chair would be deemed as best practice in the future. The Chair believed that we should run with the system but send comments how it can be improved.</p> <p>In response to CW GvdL advised that he conducts the Principals appraisal and currently this was not shared with other governors but believed that we could look at the process to see how it could be communicated better.</p> <p><b><i>Chair to complete Appendix A and all governors with more than 12 months service to complete Appendix B</i></b></p> <p><b><i>Review process for appraisal of Principal to give better communication to Corporation on outcome.</i></b></p>	ALL	06/01/12
		Clerk/ LW	08/03/12
<b>056/11</b>	<p><b>Approve Policy on Openness. Paper C056/12/11</b></p> <p>The Clerk advised that the current policy met best practice and there were no proposed amendments.</p>		

		<b>ACTION</b>	<b>ACTION DATE</b>
	<i>The College Policy on Openness was approved.</i>		
	<b>Part 2 Approve Recommendations from Corporation Committees.</b>		
<b>057/11</b>	<p><b>Audit Committee</b></p> <p>RBS outlined the process which the College had implemented to find an external auditor. A shortlist had been agreed and three candidates were interviewed and it was agreed that we would offer our current external auditors a further term of office.</p> <p><i>Note appointment of Grant Thornton as our external auditors for a second term of office of 5 years commencing February 2012.</i></p>		
	<b>Part 3 Documents for Governors to Note</b>		
<b>058/11</b>	<p><b>Minutes of Committee Meetings.</b></p> <p><b>58.1. Health, Safety and Safeguarding Committee-17<sup>th</sup> November 2011. Paper C058.1/12/11</b></p> <p><b>58.2. Audit Committee-22<sup>nd</sup> November 2011. Paper C058.2/12/11</b></p> <p><b>58.3. Governors' Management Committee-22<sup>nd</sup> November 2011. Paper C058.3/12/11</b></p> <p><b>58.4. Quality and Standards Committee-23<sup>rd</sup> November 2011. Paper C058.4/12/11</b></p> <p><i>The Board received, noted and accepted the above minutes of the Corporation Committees.</i></p>		
	<b>Part 4 Documents for Information</b>		
<b>059/11</b>	<p><b>59.1. Corporate Risk Policy Statement. Paper C059.1/12/11</b></p> <p><b>59.2. Governor Contact List Paper C059.2/12/11</b></p> <p><i>The Board received and noted the above documents.</i></p>		
<b>060/11</b>	<p><b>Any Other Business</b></p> <p><b>60.1. Attach the Corporation Seal</b></p> <p><i>It was resolved that the Corporation Seal be applied to the Agreement between Hartpury College and the Forest of Dean District Council on section 106 obligation for planning consent to</i></p>		

	<b>ACTION</b>	<b>ACTION DATE</b>
<p><i>clad the Dingle residential accommodation.</i></p> <p><b>60.2. Meeting with UWE Governors</b></p> <p>The Chair advised that UWE governors would be holding their strategic planning day at the College on 21<sup>st</sup> March 2012 and it is proposed for them to have a tour of the campus the previous day and a joint dinner with us that evening.</p> <p><b><i>Could governors please keep evening of Tuesday 20<sup>th</sup> March 2012 free for dinner with UWE governors.</i></b></p>	<b>ALL</b>	<b>Immediate</b>
<p><b>Dates of Future Meetings-all to be held on Thursdays at 10.00am</b></p> <p>8<sup>th</sup> March 2012  12<sup>th</sup> July 2012  25<sup>th</sup> October 2012  29<sup>th</sup> November 2012 (Training Day)  6<sup>th</sup> December 2012</p> <p>7<sup>th</sup> March 2013  11<sup>th</sup> July 2013  24<sup>th</sup> October 2013  28<sup>th</sup> November 2013 (Training Day)  5<sup>th</sup> December 2013</p> <p>6<sup>th</sup> March 2014  10<sup>th</sup> July 2014  23<sup>rd</sup> October 2014  20<sup>th</sup> November 2014 (Training Day)  11<sup>th</sup> December 2014</p>		

**Mr Graham van der Lely**  
**Chair of Hartpury College Corporation**

**8<sup>th</sup> March 2012**