

## CORPORATION BOARD

### Minutes of a Meeting 9.30am on Thursday 10<sup>th</sup> July 2014 Gwynne Holford Room

**Present:** Mr Graham van der Lely (Chair) (GVdL)  
Mr Bob Barnett (RB)  
Mrs Rosamund Blomfield-Smith (RBS)  
Mrs Barbara Buck (BB)  
Mr Duncan Clegg (DC)  
Mr David Crawford (DC1)  
Mr Mark Davison (MJD)  
Mr Ben Grieve (BG)  
Mrs Jane Holderness-Roddam (JHR)  
Mr Edward Keene (EK)  
Mr Russell Marchant (RM)  
Mr Jeremy Matthews (JM)  
Mr Chris Moody (CM)  
Professor Ron Ritchie (RR)  
Mr Charles Whitehouse (CW)

**In Attendance:** Mr John Deane (JD)  
Mr Graham Ledden (GL)  
Mr Luke Rake (LR)  
Mrs Lesley Worsfold (LW)

**Apologies:** Mr Martin Baber  
Mr David Seymour

**Minutes:** Mr Rob Lee

		ACTION	ACTION DATE
74/14	<p>The Principal outlined the circumstances relating to the unfortunate death of a student who had recently left the College. He advised that counselling support had been made available and he had written to the family. The local press had carried the story and the College had issued a statement.</p> <p><b>Apologies</b></p> <p>Apologies were received from Mr M Baber and Mr D Seymour.</p>		
75/14	<p><b>Declaration of Interest – Paper C02/07/14</b></p> <p>The Clerk advised that member's interests would be taken as those</p>		

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	disclosed in the Register of Members Interests. There were no declarations of members interests for agenda items.		
<b>76/14</b>	<p><b>Minutes of the Last Meeting – Paper C03/07/14</b></p> <p>Minutes of the meeting held on the 29<sup>th</sup> May 2014 were agreed to be a true and accurate record and signed by the Chair.</p>		
<b>77/14</b>	<p><b>Matters Arising</b></p> <p><b>77.1. Verbal update on proposal for the scrutiny of FE and HE quality.</b></p> <p>RM advised that this had been discussed extensively at the last Quality and Standards Committee Meeting and a proposal will be made to the next Board Meeting. RR advised that it had been a very constructive meeting and believed that governors should, as quickly as possible see a diagram showing how FE and HE come together and that this would be important for Ofsted as well as TDAP.</p> <p><b>77.2. Update on progress of TDAP Critical Self-Evaluation Document.</b></p> <p>JD advised that this would be discussed later in his HE Report.</p> <p><b>77.3. Fees for FD and UG programmes have been increased to £9000 pa for 2015/2016 entry and UWE have been advised.</b></p> <p>JD confirmed that UWE had been informed.</p> <p><b>77.4. Update on proposed investment in new rowing facilities</b></p> <p>GL advised that this will be discussed later when he updates Members on Capital Projects.</p> <p><b>77.5. Update on Governor E&amp;D Training.</b></p> <p>LW confirmed that the on-line training package has been sent to all governors.</p>		
<b>78/14</b>	<p><b>Approve Key Performance Indicators.</b></p> <p>The Chair apologised that the Governors' Key Performance Indicators for 2014/2015 were not available for discussion and approval. A lot of work has been carried out and this had highlighted some issues that need some more thought. GvdL advised that they will soon be finalised and should be</p>		

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	<p>sent to all governors in the next week for comment and then agreed and approved before the beginning of the next academic year. GvdL thought it vital we adhere to this timescale as we have to assume an Ofsted inspection in the Autumn.</p> <p><b><i>The Governor Key Performance Indicators for 2014/2015 will be sent to governors by e-mail for comment and finalised by the 31<sup>st</sup> August 2014.</i></b></p>	Clerk	17/07/14 and 31/08/14
79/14	<p><b>FE Report Paper C79.1/07/14</b></p> <p>LR advised that there had been good improvements in the year in retention and attendance which will translate into improved success rates. LR advised that the annual Prize Day was extremely successful with good attendance from parents. In response to RBS LR confirmed that there had been a very good attendance of local councillors and that he intended to invite more councillors to visit the College. LR advised that the recent meeting of the Quality and Standards Committee had spent some time discussing teaching and learning strategies and plans for continual improvement in this area. LR advised that there was significant growth in applications which were 7.6% ahead of the same period last year. LR explained that we have had to manage class sizes and the number of students we have rejected has increased markedly. In response to MJD LR advised that we were selecting students on attitude and we were more discriminating with regard to students with poor references and school reports. Also in response to MJD LR confirmed that bedroom availability is an issue and RM advised that we have a long waiting list and will prioritise agriculture and equine applications. LW confirmed that the waiting list is currently 106 of which 33 could travel to College daily. In response to RBS LR advised that the fall in numbers of students in Access to HE is due to us removing the Sport element because of poor quality intakes. In response to EK LR advised that Access to HE was a Level 3 programme for mature students looking to progress to HE. Attendance is not good but many of the successful students will continue their studies at the College. In response to CW, who was concerned over the low number of applications for FE Veterinary Nursing, LR advised that many of the students wishing to take this course apply late and RM confirmed that numbers for HE Veterinary Nursing are very buoyant. In response to RB LR thought that the increase of over 20% in Specialist Sport applications was partly due to the success of our teams and confirmed that we will be able to deliver these programmes. In response to GvdL LR advised that anecdotally his information was that applications in the land based sector were very positive. CM believed that students were becoming more discerning and applying to 2/3 colleges. CM also thought that the balance of students was critical. Specialist sport students are poorly funded but the programmes are expensive to deliver and without the land based students we could not fund sports. RM was very much aware of this and was optimising sport class sizes and increasing A Level group sizes where</p>		

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	possible.		
<b>80/14</b>	<p><b>The Student Voice</b></p> <p>BG advised that students were very positive about the new HE Tutorial Rooms and Library changes. BG also believed that students were very positive about their results. In response to BG RM advised that it was the intention to re-surface the road to Sports Academy as soon as building work on FE Centre has been completed. Also in response to BG RM gave an update on the College clothing arrangements for the next academic year. BG advised that this would be his last meeting and thanked the staff and governors for their help and advice.</p>		
<b>81/14</b>	<p><b>HE Report Paper C81.1/07/14</b></p> <p>JD advised that there had been very little movement in applications since the last report and expected a slight increase in enrolments from 459 in 2013 to 487 in 2014. JD explained that as he has outlined previously sport was the most challenging area for recruitment. In response to DC JD advised that the results of the National Student Survey rank us positively on quality. In a further response to DC as to whether we are the best in sports locally JD advised it was dependant on the programme but we are raising quality and trying to attract higher academic students. JD agreed that it was vital to maintain a high level of success for our sporting teams as when teams are successful we see an increase in applications. RM advised that it was also vital build evidence on employment. In response to EK who queried the logic of increasing entry tariff when finding students was difficult JD confirmed that this would not be on existing programmes. In response to BG JD confirmed that our programmes were always under review particularly the coaching area as we needed to focus on employability. JD confirmed that the QAA Review would take place next week and there had been a significant amount of preparation. The outcome will be known in about two weeks. JD referred Members to the Transitional Project Plan for TDAP and outlined the potential risks. RB felt that there should be an indication the budget for each year of the project. In response to GvdL it was felt that the team was well prepared. The QAA will know that there is a TDAP application in the pipeline and they will be asked about the preparedness for TDAP. JD outlined the discussions that had taken place at the Quality and Standards Committee Meeting on Good Honours Degree Report and in response to GvdL JD advised that there were indications that there had been an improvement in grades this year. RM advised that an increase in the grades would not alter the need to take up the recommendations to find improvements. In response to RBS JD advised that final data on results will be available in September.</p>		

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82/14	<p><b>Finance Report</b></p> <p><b>82.1. Discuss and approve Budget for 2014/2015. Paper C82.1/07/14</b></p> <p>GL advised that the budget had been discussed by the Finance and General Purposes Committee and recommended for approval as long as the proposed surplus was not reduced by the work still being carried out relating to the Farm, Okle Clifford and the Shoot and that the pay award should be subject to affordability. GL advised that in 2012/2013 48% of colleges were in financial difficulty and the whole sector was making a loss. The proposed budget for 2014/2015 shows a surplus of £439.8K before FRS17 adjustments on a total income of £27.3m. GL advised that the budget process had been a root and branch exercise due to £952K cuts in FE funding. GL advised that the process had been difficult but departments had reacted very well in finding the necessary savings. GL advised that TDAP costs had been cut to a bare minimum and were budgeted at £233K for the next year and GvdL advised that this was less than what was originally budgeted. GL explained that the budget allows for a pay increase for all staff earning less than £40K from January 2015 as well as a contingency of £206K. GL confirmed that the pay increases would only be awarded if we could afford it and this would be very dependent on student numbers. In response to GvdL LW advised that staff will be advised on the pay award on affordability prior to the start of next term. Russell advised that the next Board Meeting would have a good indication on affordability for pay award as student numbers will be known. GL advised that the budget assumes a reduction in the top slice payable to UWE from 17% to 15%. In response to GvdL RM confirmed that this had been agreed by UWE but there were still ongoing discussions. GL confirmed that there is also a break put on recruitment. GL advised that on the plus side we are expecting an extra £400K income from HE. GL outlined the key assumptions on income and advised that Catering, the Bar and Equine have been asked to achieve higher targets than they original bid. Catering because of improvements that have been made to facilities and Equine who have generally had a conservative budget. In response to DC1 GL advised that Conference income would increase to £320K from the expected outturn of £280K this year. In response to BG LW advised that we are currently looking at other ways to improve our conferencing income including day activities aimed at local population. In response to MJD GL felt that our on-site accommodation is not too sensitive to price as we normally have waiting list at start of year. In response to RBS GL advised that we expected all our accommodation to be full at the beginning of the year but rooms become empty due to student withdrawals and 96% occupancy is budgeted over the full year. In response to GvdL LW advised that some rooms were being held for clearing but these could be diverted to over 18 year old FE students if necessary. GL outlined the assumptions made on our proposed budgeted costs. Discussions took place on the proposed capital spends and GL</p>		

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<p>outlined the funding of the Rider Performance Facilities from the Margaret Giffen Fund. RB noted that GL had begun the introduction to his presentation by referring to the number of colleges that were loss making, and indeed the sector as a whole was currently loss making. RB believes that this gives further support to the drift toward industry consolidation and the importance of being seen to be an inquisitor. RB believes that the best way to deal with negative comments about Hartpury's finances, in particular gearing and an overstretched balance sheet was to report decent annual surpluses. RB felt that the paper did not look at the "big picture" and it is not easy to see the true position and advised that he would have presented the budget in a different way. The results for the residences are highly profitable and for the world's largest equine college – special events makes money but overall equine is probably a break-even. The farm is still projected to make a loss of over £100k, but this may be misleading as it does not identify the 'education subsidy', and as has previously noted, this has never really been calculated or debated. RB advised that leaves the sports area, a large "loss leader" but the cross-subsidy here is also not really calculated or debated. The balance of educational programmes is probably also losing money, but this is not apparent because of the large surplus from the residential side. RB felt the overall budget showing a surplus of £639k (ignoring the budgeted contingency of £200k) was £400k "light" and that we should be aiming to make a surplus of at least £1m, and it was important to be able to point to that whenever anyone questioned Hartpury's finances and this would still be only 3.5% of annual turnover. RB is also concerned about the longer term and the costs over the next three years of the high spending needed to gain university college status on higher salaries, branding and research. CM felt that this analysis was correct, and we should be targeting to achieve a 5% surplus, but that this was not the year to do it. RM felt further cuts would impact the quality of the teaching and the student experience and that we had to be careful of not going into a downward spiral of cutting quality and curriculum. GvdL believed that we should better understand what does and does not make money. RBS agreed that we should know about the various cross-subsidies to enable the Board to make judgements particularly as there are financial difficulties in the sector. RM agreed that we need to take the next step and develop financial strategy for the next 5/10 years. GvdL thought that the team had worked very hard to put together what had been a very difficult budget without impacting on our delivery but felt that cross subsidies and the profitability of each area should be discussed further.</p> <p><b><i>The Budget for 2014/15 was approved together with the pay award as outlined.</i></b></p> <p><b><i>The individual area profitability and cross subsidies will be discussed at next meeting of Finance and General Purposes Committee.</i></b></p> <p>Mrs J Holderness-Roddam left the Meeting.</p>	<p>GL</p>	<p>18/09/14</p>

	ACTION	ACTION DATE
<p><b>82.2. Discuss and approve 2year Forecast. Paper C82.2/07/14</b></p> <p>GL referred Members to the Financial Forecast for the period to 31 July 2016. GL explained that the current year re-forecast forms the basis for this, with the year 2014/15 being the budget and 2015/16 largely being an estimate of the position for that year. GL advised that a key uncertainty for 2015/16 is the level of FE income. HE income includes an increase in first year fees to £9,000 and a further reduction in the top slice to 13.5%. RM advised that he would be disappointed if the top slice stayed at this level as this would be a high fee. We would, however be in the TDAP scrutiny period and our relationship with UWE would be important. We will be funding students at only £5600 pa after top slice and we need to persuade UWE to look at level of top slice. In response to RB RM advised that if we do not get TDAP we will need to consider our position. RR queried whether the discussions were simply financial or whether we are considering for both sides the fruitfulness of the relationship going forward. GvdL advised that he did have anxiety over the relationship and how it will evolve and he had recently had a meeting with Chair of UWE Governors and she was now aware of his thoughts on this sensitive issue. RM had discussed with the Vice Chancellor of UWE the affect this may have on the student experience and that we would not be seeking a validation model only as there were postgraduate and research issues. RR thought there was an opportunity in exploiting the benefits to UWE of a longer term relationship with Hartpury. GvdL was not sure of the benefits to UWE as there is a risk because they do not have total academic control. RR believed that we will need to do the work for them to show the importance to UWE of Hartpury. GL returned to the forecast and advised that payroll costs include increases in the Teachers' Pension Scheme contribution, increases in National Insurance contributions as well as provision for a cost of living increase. The surplus for 2015/2016 was forecast to be £735K which is 2.6% return on income. The Financial Health grade is self-assessed as satisfactory.</p> <p><b><i>The 2 Year Forecast was approved.</i></b></p> <p><b>82.3. Discuss May Management Accounts. Paper C82.3/07/14</b></p> <p>GL advised that the surplus for the 10 months to the end of May 2014 was £707.9K compared to original budget of £908.0K and a re-forecast of £754.2K. GL explained that despite some concern over conferencing and a dilapidation bill for student accommodation in Gloucester he believed that the re-forecast surplus of £182K will be achieved. GL advised that the surplus will fall back in July as we have 12 months costs but HE, Residence and Transport income are only in the period October to June. GL advised that there were no surprises in our income and expenditure and outlined some of the major variances. In response to RB GL agreed to check the additions in the capital expenditure.</p>		

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<p><b>82.4. Update on Capital Projects. Paper C82.4/07/14</b></p> <p><b>82.4.1. New FE Centre</b></p> <p>GL advised that since the last Corporation meeting the contractors have advised us of a two week delay to practical completion. The building will now be handed over on 11 July, which is still in plenty of time to move in and open to students for the start of the 2014/15 academic year. The contractor has so far failed to give any explanation for the delay. There are potential penalty charges of £2,000 per week which we can chose to invoke at an appropriate time. The budget for the building remains at £3.66m.</p> <p><b>82.4.2. Biomass Boiler Project</b></p> <p>GL advised that work continues to progress this project and the latest indications are that planning consent will be achieved in mid-July and the contractors should be on site late July. GL advised that contracts will be signed this week. GL advised that because of the delays and the need to commission the heating system in the FE Centre, we are seeking to put in place the supplementary heat supply for the Dingle and FE Centre ahead of the biomass boilers and this will cost between £10K and £15K extra but it is hoped that a similar amount can be saved in VAT. GL advised that this work has just commenced.</p> <p><b>82.4.3. Stock Handling Facility</b></p> <p>GL advised that this facility will be financed by £220k grant from the SFA and work is underway to determine the precise specification of the facility. The demolition of certain farm buildings which were also part of the proposal to the SFA continues.</p> <p><b>82.4.4. Rowing Club</b></p> <p>GL confirmed that Heads of Terms had been sent to Gloucester Boathouse Ltd which is a registered charity. GL believed that the other two partners who had been earmarked by GBL have now agreed funding. Our £100K capital contribution will not be released until full funding is confirmed.</p> <p><b>82.5. Review College Top Risks. Paper C82.5/07/14</b></p> <p>GL explained that the Colleges top risks are reviewed by the Risk Management Group four times per year and at monthly Executive Committee meetings. The recent amendments are marked in red. In response to RB LW advised that a serious breach of health and safety and environmental legislation would be a death on campus and outbreak of infectious disease. The Health and Safety Manager is helped by a team of Risk Managers across the College and the Health and Safety Forum meets</p>		

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	<p>three times per year. Health and Safety Reports come bi-annually to the Board. In response to RB LW confirmed that this area gets external scrutiny and is part of Ofsted inspection.</p> <p><i>The Colleges top risks were noted.</i></p>		
83/14	<p><b>Quality and Standards Committee.</b></p> <p><b>83.1. Discuss Report from Chair of Quality and Standards Committee. Paper C83.1/07/14</b></p> <p>DC1 advised that the meeting was positive. The HE On-programme Student Survey showed positive trends in all key areas and the HE withdrawal rate of 3.3% was well below the UWE KPI of 13%. FE retention, after two challenging years, is at 92.6% significantly higher than the sector benchmarking point and will have a positive effect on success rates. FE attendance is very high at 94.9% with only one area of concern, Access to HE, where numbers are small but DC1 explained that there will be a review to see what action can be taken. DC1 advised that there were some areas that needed further action. The situation with Good Degrees had been discussed earlier. There is a new format to be considered for FE Student Surveys and this will be presented to the next meeting of Q&amp;S. DC1 explained that there was considerable discussion on teaching and learning observation grades and how the areas that had fallen below 80% could be improved. This had led to a discussion on how data is presented in that governors very rarely get an overall picture on one piece of paper for a curriculum area to cover attendance, retention, achievement etc. LR advised that a sample document is currently being discussed.</p> <p><b>83.2. Receive, note and accept minutes of the meeting held on the 26<sup>th</sup> June 2014. Paper C83.2/07/14</b></p> <p><i>The minutes of the Quality and Standards Committee held on the 26th June 2014 were received, noted and accepted.</i></p>		
84/14	<p><b>Principals Report. Paper C84/07/14</b></p> <p>The Principal confirmed that the College has successfully secured a 10 year fixed term Farm Business Tenancy at Okle Clifford Farm which will present exiting opportunities for use by agricultural, mechanisation and countryside students. RM advised that the tenancy protects the College against the impact of losing Buttersend in 2017.</p> <p>The remainder of the Report was noted.</p>		

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85/14	<p><b>Note Safeguarding Report. Paper C85/07/14</b></p> <p>LW advised that this was the second of the two reports that come to the Board annually. LW advised that there had been a considerable amount of training and outlined some of the subjects covered. LW advised that there was an increase in the total number of referrals from 58 the previous year to 73 this year but believed that this was due to better training. The referrals to outside agencies were down from 14 to 12.</p> <p>The remainder of the Report was noted.</p>		
86/14	<p><b>Minutes of Committee Meetings.</b></p> <p><b>86.1. Search and Governance Committee 24<sup>th</sup> June 2014 Paper C86.1/07/14</b></p> <p><i>Minutes of the Search and Governance Committee 24<sup>th</sup> June 2014 were received, noted and accepted.</i></p> <p><b>86.2. Finance and General Purposes Committee 24<sup>th</sup> June 2014. Paper C86.2/07/14</b></p> <p>The Chair advised that a new format for the management accounts had been discussed. GL confirmed that a sample of the new format produced against the July figures will be presented to the next meeting.</p> <p><i>Minutes of the Finance and General Purposes Committee 24<sup>th</sup> June 2014 were received, noted and accepted.</i></p>		
87/14	<p><b>87.1. Governors' Allowance Policy. Paper C87.1/07/14</b></p> <p><i>The Governors' Allowance Policy was approved without amendment.</i></p> <p><b>87.2. Child Protection Policy. Paper C87.2/07/14</b></p> <p>LW advised that the only amendment was the Safeguarding Procedure Flow Chart has been amended to reflect current members of the Safeguarding Team.</p> <p><i>The Child Protection Policy was approved with amendments outlined.</i></p> <p><b>87.3. Risk Management Register.</b></p> <p>GL advised that changes to the register had been marked in red and</p>		

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	<p>these have been agreed by the Risk Management Group. In response to MJD GL confirmed that desk top testing had been carried out of the Business Continuity Plan by Myerscough College on our behalf. In response to MJD RM advised that there was no sinister objective in changing 50:50 split on FE and HE to appropriate split.</p> <p><b><i>The Risk Management Register was noted.</i></b></p> <p>RB left the Meeting</p>		
<b>88/14</b>	<p><b>Letter from FE Commissioner 13<sup>th</sup> June 2014</b></p> <p><b><i>The Letter from the FE Commissioner was noted.</i></b></p>		
<b>89/14</b>	<p><b>Any other business.</b></p> <p><b>89.1. A Level and Degree Results</b></p> <p><b><i>RR reminded the College Management that we had previously agreed that results should be shared with the Board as soon as possible and not wait for next meeting.</i></b></p> <p>The Chair thanked Ben Grieve, as it was his last meeting, for his contributions and wished him well for his future career.</p> <p>The Chair thanked Jeremy Matthews, who had reached the end of his term as Parent Governor, for his contributions. JM thanked the College for the help and advice that had been given to his daughter during her time at the College.</p>	<b>LR/JD</b>	<b>When Available</b>
	<p><b>Dates of Future Meetings-all scheduled to commence at 10.00am except where noted.</b></p> <p><b>Thursday 9<sup>th</sup> October 2014</b>  <b>Thursday 11<sup>th</sup> December 2014</b></p> <p><b>Thursday 29<sup>th</sup> January 2015</b>  <b>Wednesday 25<sup>th</sup> March 2015 at 2.30pm followed by Dinner and overnight stay at Corse Lawn Hotel.</b>  <b>Thursday 26<sup>th</sup> March 2015 at 9.00am-4.00pm Strategic Planning</b>  <b>Thursday 28<sup>th</sup> May 2015</b>  <b>Thursday 9<sup>th</sup> July 2015</b>  <b>Thursday 8<sup>th</sup> October 2015</b>  <b>Thursday 10<sup>th</sup> December 2015</b></p>		

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

**9<sup>th</sup> October 2014**