

GOVERNORS' MANAGEMENT COMMITTEE

Minutes of a Meeting 11.00am Thursday 7th February 2013 Gordon Canning Room

Present: Mr Graham van der Lely (Chair) (GVdL)
Mr Martin Baber (MHB)
Mr Mike Burton (MB)
Mr Mark Davison (MJD)
Mr Edward Keene (EK)
Mr Russell Marchant (RM)
Mr Chris Moody (CM)
Mr Charles Whitehouse (CW)

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

Apologies: Mr Jim Hickman

Minutes: Mr Rob Lee

		ACTION	ACTION DATE
1.	Apologies Apologies were received from Mr R Barnett and Mr J Hickman.		
2.	Declaration of Interest – Paper GMC02/02/13 The Clerk advised that member's interests would be taken as those disclosed in the Register of Members Interests. There were no declarations of members interests for agenda items.		
3.	Minutes of the Last Meeting – Paper GMC03/02/13 Minutes of the meeting held on 19 th November 2012 were agreed to be a true and accurate record and signed by the Chair.		
4.	Matters Arising 4.1. (4.1, 4.2, 4.4) Update on review of Agreement with Velcourt. RM advised that the original contract had been signed to cover the period 2005/2006. There had been a subsequent update to the contract but it was a one way agreement. RM advised that he was now opening		

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	discussions with Velcourt on reviewing the Agreement and would involve the sub-committee which included governors.																																						
5.	<p>Discuss and Approve monthly accounts for December 2012 include performance of College commercial enterprises, Employer Engagement and Hartpury Commercial. Paper GMC05/02/13</p> <p>GL advised that the results for the five months to the end of December 2012 show an operating deficit of £992.3K against a budgeted deficit of £933.5K giving a £58.8K adverse variance. GL explained that the deficit for the same period last year was £1084.8K. GL advised that income for the period was favourable by £11.9K to budget and he outlined the areas of major variance. HE income was favourable to budget but the final figures still had to be confirmed with UWE but GL expected this to give us some good news. GL also advised that closing the pig operation will improve the farm outcome. GL advised that direct costs were £119.6K favourable to budget but fixed costs were showing a deficit to budget of £190.3K. GL outlined the major variances to fixed cost budget. GL believed that there were some anomalies in the staff costs and believed that should come back over the year. GL outlined some of the reasons why the utilities were over budget. GL advised that over 600 fridges had been supplied to students as well as a much greater use of the second Rubber Crumb.</p> <p>GL referred Members to the performance of the commercial activities</p> <table border="1"> <thead> <tr> <th></th> <th>Actual £000's</th> <th>Budget £000's</th> <th>Variance £000's</th> </tr> </thead> <tbody> <tr> <td>Catering</td> <td>36.3</td> <td>(17.5)</td> <td>53.8</td> </tr> <tr> <td>Bar</td> <td>(29.7)</td> <td>(25.6)</td> <td>(4.0)</td> </tr> <tr> <td>Conferencing</td> <td>46.9</td> <td>65.7</td> <td>(18.7)</td> </tr> <tr> <td>Equine</td> <td>(70.1)</td> <td>(136.2)</td> <td>66.1</td> </tr> <tr> <td>Farm</td> <td>(105.6)</td> <td>(11.1)</td> <td>(94.5)</td> </tr> <tr> <td>Residential</td> <td>487.6</td> <td>481.2</td> <td>6.4</td> </tr> <tr> <td>Transport</td> <td>(340.3)</td> <td>(337.3)</td> <td>(3.0)</td> </tr> <tr> <td>Business</td> <td>(9.8)</td> <td>41.5</td> <td>(51.3)</td> </tr> </tbody> </table> <p>GL advised that the positive variance in Catering Department was majorly down to a higher than budgeted sale of meal packages. The deficit in the bar was down to not covering the costs of entertainment that was being provided and this was being resolved. The conferencing budget would be resolved by the end of the year. GL advised that it was too early to draw any conclusions on the performance of Hartpury Business as some of the partnership provision is seasonal although he did have a concern over short courses.</p> <p>In response to GvdL explained that cash flow was flattening out due</p>		Actual £000's	Budget £000's	Variance £000's	Catering	36.3	(17.5)	53.8	Bar	(29.7)	(25.6)	(4.0)	Conferencing	46.9	65.7	(18.7)	Equine	(70.1)	(136.2)	66.1	Farm	(105.6)	(11.1)	(94.5)	Residential	487.6	481.2	6.4	Transport	(340.3)	(337.3)	(3.0)	Business	(9.8)	41.5	(51.3)		
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	<p>mainly to the change in pattern of receiving HE funding due to direct numbers and that the large difference in the forecast to the end of the year against the original budget is that the starting point changed due to the Dingle and Hartpury House projects. In response to GvdL GL believed that we would achieve our budget for the full year.</p>		
6.	<p>Discuss academic staff salaries-referred from Quality and Standards Committee.</p> <p>6.1. Minute from Quality and Standards Meeting. Paper GMC06.1/02/13</p> <p>The Chair advised that this had been raised at the Quality and Standards Meeting and referred Members to the Minute from that Committee.</p> <p>6.2. Review of FE academic staff salaries. Paper GMC06.2/02/13</p> <p>LR advised that this had first been flagged at the Executive Away Day in April 2012. LR advised that our salaries for academic staff were lagging behind schools and other colleges. This is leading to losing key staff and being unable to recruit quality staff. LR explained that we had a record of recruiting young staff that after we had trained them for two to three years left for better paid jobs and he gave a recent example. LR appreciated that it was not just about increasing salaries across the board but the need to look at intuitive ways, such as creating multiple progression routes, to help retain the best staff. LR outlined how he had recently been able to do this with two key members of staff. RM agreed that pay scales are an issue and that our salaries are towards the bottom end of the sector and this will be a challenge to rectify. CM thought it was impossible to make a judgement from the information in these papers as there was a need to look at the complete package including terms and conditions. CM also believed that comparing to the school sector was not relevant. LW agreed that we need to look at analysing the issues better.</p> <p>6.3. Review HE academic staff salaries. Paper GMC06.3/02/13</p> <p>SW advised that the Chair of Quality and Standards had asked for this issue to be raised. SW agreed that his paper had very little detail on the package but the HE salary structure was lower than the sector norm. SW advised that problems similar to FE in that we took on young staff and lost the best and found difficulty in recruiting. GvdL believed that the issue surrounding academic salaries should be looked at by management and RM agreed that he would come back with a more complete proposal.</p> <p><i>The papers on academic salaries were noted.</i></p>		
7.	<p>Update on Capital Projects. Paper GMC07/02/13</p> <p>7.1. New A Level and Learning Resource Centre.</p> <p>RM issued plans of the new Centre which will be numbered GMC07.1/02/13. RM advised that the building had been re-designed to take out the curve and increase the floor space from 1372 to 1850 square metres. This will necessitate further approval by SFA and further planning permission. GL advised that a meeting had taken place with the SFA and</p>		

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	<p>we need to prove a case to them for the increased space or they may take some of their grant back from us. RM advised that the planners may have a concern over the building moving closer to the main drive and in response to GvdL confirmed planning would take 12 weeks but if they had concerns it would take longer. RM explained there was therefore a very tight timescale as we wished to have building available in July 2014 and it was a 12 month build programme. In response to CW RM confirmed that the building would be constructed to achieve BREEAM Excellent. GL confirmed that our Bank has indicated that they will support the proposal for additional funding of £2.2M which with the grant from the SFA of £1.1m will finance the construction.</p> <p>7.2. Hartpury House</p> <p>GL advised that the budget for creating the bedrooms in Hartpury House had been £450K but it is likely that the final cost will be nearer £380K.</p> <p>7.3. Dingle 2</p> <p>GL advised that planning consent for 42 twin en-suite bedrooms had been granted but it is unlikely that approval for this project will be sought in the near future.</p> <p>7.4. Laughton's Farmhouse</p> <p>GL confirmed that a planning application is being prepared for the demolition and re-building of Laughton's Farm. It is currently out to tender with the expected cost of £600k plus VAT less the E120K Renewal Grant from the SFA. The building is currently used for staff accommodation and this will also be included in the new building plus 2 classrooms, offices, launderette and lavatories.</p> <p>7.5. Sports Academy Roof</p> <p>GL advised that structural engineers have now been supplied with detailed specifications relating to the roof and their report is awaited.</p> <p>7.6. College Capital Investment Fund</p> <p>GL advised that the SFA have announced a £270m Capital Investment Fund. The Fund will be for projects between £3m and £10m and SFA will fund a third although we may be eligible for higher percentage due to our high gearing. There will four rounds of bidding. We will not be allowed in the first round as we were successful in our last bid but have been told that that we will be eligible in the second round. GL advised that there are two projects to take forward. A new Farm Mechanisation and Foundation Studies Building and a second sports academy building. RM advised that the priority was the farm building as this would allow us to demolish some of our old building and greatly improve the Farm Campus. RM explained that we needed the sports building due to our success in this area with recruiting students.</p> <p>7.7. Principals Capital Budget</p> <p>GL referred Members to the analysis of the expenditure against the Principals Capital Budget. The Annual Budget Allowance had been £1806.7K and after the expenditure detailed left a balance of £899.8K.</p>		

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	The other projects required as listed brought the balance to £574.8K which RM confirmed will be spent by the end of the academic year.		
8.	<p>Review College Mission Statement. Paper GMC08/02/13</p> <p>RM advised that an abridged version of our current mission statement had been proposed in his draft strategic plan in November 2012. RM read out the proposed statement.</p> <p>"Hartpury College will provide relevant, effective and high quality education and training for land-based, sports and allied industries; locally, regionally, nationally and internationally."</p> <p><i>It was agreed that the mission statement above will be recommended to the Corporation for approval.</i></p>	Clerk	07/03/13
9.	<p>Discuss and approve changes to College Charge Cards. Paper GMC09/02/13</p> <p>GL advised that there was a need to address the issue of the use of the card allocated to him. There were a restricted number of cards and due to increase use his card was being used, particularly for internet purchases, by a number of different people for legitimate purposes. GL therefore proposed that the PMG and selected other managers should be issued with a charge card as listed in his paper with the associated credit limits.</p> <p><i>It was agreed that credit cards with credit limits as listed in Report should be issued.</i></p>	GL	Immediate
10.	<p>Discuss and agree changes to the process of awarding contracts. Paper GMC10/02/13</p> <p>GL advised that at the December Corporation concern was expressed about having all contracts appropriately signed and stored. GL confirmed that the Financial Regulations were silent on this matter. GL was currently logging all contracts. GL further suggested that the signing of contracts should be restricted to members of PMG. GvdL felt that it should be restricted to as few people as possible. RM suggested that it should be restricted to the Principal and Vice Principal (Business and Finance). MB felt there should be a list of contracts that have been signed or in existence that should be available to this Committee. MB also believed that there should be a resolution by Corporation on approved signatories of contracts.</p> <p><i>It was agreed that the Principal and Vice Principal (Business and Finance) will be the only members of staff to sign contracts and this will be ratified by the Corporation.</i></p> <p><i>Changes to the Financial Regulations will be brought to this Committee when the exercise of logging current contracts has been completed.</i></p>	Clerk GL	07/02/13
11.	<p>Review the College Social Media Policy. Paper GMC11/02/13</p> <p>LW advised that this was new policy introduced in June 2012. GvdL wanted to ensure that the constantly changing ways people communicate</p>		

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	was covered. <i>The Social Media Policy was noted.</i>		
12.	The Chair advised that this was Stephen Waite's last GMC and he wanted to thank him on behalf of the Corporation for his input and his terrific work on HE for the College and wished him the very best in his new position.		
13.	Dates of future meetings all at 11.00am <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Wednesday 1st May 2013 Wednesday 19th June 2013 Thursday 3rd October 2013 Thursday 21st November 2013 </div> <div style="width: 45%;"> Thursday 6th February 2014 Thursday 1st May 2014 Tuesday 24th June 2014 Thursday 9th October 2014 Thursday 27th November 2014 </div> </div>		

Mr Graham van der Lely
Chair Governors' Management Committee

1st May 2013