

**GOVERNORS' MANAGEMENT COMMITTEE**  
**Minutes of a Meeting**  
**11.00am Wednesday 25<sup>th</sup> April 2012**  
**Gordon Canning Room**

**Present:** Mr Graham van der Lely (Chair) (GVdL)  
 Mr Martin Baber (MHB)  
 Mr Mike Burton (MB)  
 Mr Mark Davison (MJD)  
 Mr Jim Hickman (JH)  
 Mr Edward Keene (EK)  
 Mr Malcolm Wharton (MW)  
 Mr Charles Whitehouse (CW)

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

**Apologies:** Mr Bob Barnett  
 Dr Stephen Waite

**Minutes:** Mr Rob Lee

		<b>ACTION</b>	<b>ACTION DATE</b>
<b>1.</b>	<b>Apologies</b>  Apologies were received from Mr R Barnett and Dr S Waite		
<b>2.</b>	<b>Declaration of Interest – Paper GMC02/04/12</b>  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.		
<b>3.</b>	<b>Minutes of the Last Meeting – Paper GMC03/04/12</b>  Minutes of the meeting held on the 1 <sup>st</sup> February 2012 were agreed to be a true and accurate record and signed by the Chair.		
<b>4.</b>	<b>Matters Arising</b>  <b>4.1. (5.0.) Confirm that insurers have been notified of accident at Home Farm.</b>  GL confirmed that our insurers had previously been informed of the accident that had occurred at Home Farm.		

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	<p><b>4.2. (5.0.) Update on Home Farm performance to budget after meeting Velcourt.</b></p> <p>MW advised that Velcourt had confirmed that they would be on budget and had expected to make a £26K profit before the issue with milk supplier that will be discussed later.</p> <p><b>4.3. (8.0.) Update on Limbury Ltd tax issue.</b></p> <p>GL confirmed that he had recently received a detailed report from Grant Thornton and that no major issues were foreseen. We would need to transfer the properties from Limbury Ltd to Hartpury and we would therefore need a valuation to show that the transfer was an arms length transaction. In response to MJD GL advised that a valuation was needed to avoid future problems with the Inland Revenue to show that the transfer had been made at market valuation. In response to EK GL advised that any capital gains and stamp duty would be overcome through the gift aid process.</p> <p><i>The next meeting will be updated.</i></p> <p><b>4.4. (11.0.) Update on proposal for Retail Park.</b></p> <p>It was agreed that this discussion should be minuted in close session.</p> <p><b>4.5. (7.1.) Update on Sports Academy Roof.</b></p> <p>GL advised that our solicitors had been advised that we wished to reserve our rights in taking further action and had responded that we could either commence proceedings, which we did not wish to do, or inform the various parties that we may take action in the future but this was also not a course of action we wished to take. We would therefore take no further action at this time. In response to MJD MW advised that the roof will be made strong enough to take photovoltaic panels.</p>	GL	19/06/12
5.	<p><b>Discuss and Approve monthly accounts for February 2012 to include performance of College commercial enterprises, Employer Engagement and Train to Gain to Targets. Paper GMC05/04/12</b></p> <p>GL advised that the seven months to the end of February show an operating deficit of £527.5K against a budgeted deficit of £235.4K representing a £292.1K adverse variance. GL advised that provision of £120K had been made for disposal of the Dingle and £30K for dilapidation in not renewing the lease on the Grange. Both of these amounts will not now be required and GL advised that he will discuss with auditors to see how the amounts can be released into accounts. GL advised there are no significant shortfalls in income being reported. In response to GvdL over the potential loss of £102K milk income due to Farmright being taken into administration and whether it should be treated as debt rather than loss of income. GL advised that he will discuss with auditors. In response to MHB GL advised that the farm employee on long term sickness was nearing the end of his contractual sick pay and that this would soon stop. We had however had to employ cover whilst we were still paying</p>		

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	<p>him and this was one of the reasons why we were over our payroll budget. MHB wondered whether in these circumstances we were covered by insurance and JH advised there were methods where this was possible. MW advised that we had also taken the decision to strengthen the College Executive in the areas that he currently had direct dealings so as to cover these areas when he retired. MW outlined executive responsibilities.</p> <p><b>GL outlined the performance of the Colleges commercial activities.</b></p> <p><i>Auditor will be asked for opinion on release of provision for Dingle and Grange back into accounts and how the loss of milk income should be dealt with.</i></p> <p><i>The Colleges insurance cover for staff with long term sickness will be investigated.</i></p> <p><i>It was agreed that the new Director of Elite Sport will make a presentation to governors.</i></p> <p><i>A meeting will be held with Velcourt as a matter of urgency to obtain accurate position on performance of Farm to budget.</i></p> <p><i>It was agreed that we would investigate alternative business models for Hartpur Business.</i></p>	<p>GL</p> <p>GL</p> <p>MW/Clerk</p> <p>MW</p> <p>MW/LR</p>	<p>Immediate</p> <p>Immediate</p> <p>25/10/12</p> <p>Immediate</p> <p>Immediate</p>
6.	<p><b>Update on the outstanding debt with Farmright Ltd. Paper GMC06/04/12</b></p> <p>GL advised that he had lodged a formal claim with the administrators and we are listed as a creditor of Farmright Ltd in the sum of £101,769.93. The statement from administrators shows there are 84 farmers in the Midlands and South West who together with others are collectively owed £10.1m. GL confirmed that Velcourt had had a meeting with administrators who stated that "they do not believe that there will be sufficient realisations to allow a distribution to unsecured creditors". MW questioned why auditors had signed off annual accounts of Farmright who then went into administration within three weeks. GL advised that it seems refinancing was being investigated and a number of reviews by professional experts took place which presumably gave sufficient comfort for the accounts to be signed off. In response to MHB GL advised that the payments from Farmright had been made electronically four weeks in arrears. However it was a further two weeks before we reacted and GL agreed that he would look to see if any further safeguards could be put in the process to give quicker reaction if payments not received.</p> <p><i>It was agreed that the process of receiving payments will be investigated to see if it is possible to improve to give quicker trigger point when payments are delayed.</i></p>	<p>GL</p>	<p>Immediate</p>

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<b>7.</b>	<p><b>Update on FE Funding for 2012/2013. Paper GMC07/04/12</b></p> <p>GL advised that we have now received final funding allocations for 2012/2013 and they are better than expected. MW advised that this was due mainly to having the majority of our students in the 16-18 age categories. In this category transitional protection is down £236.3K but our actual funding is only down £53.1K. GL explained that increased student numbers and an increase in the average number of learner hours have mitigated the impact of the anticipated cut. In response to MJD relating to the reduction in EMA payments LR advised that this does prevent some students applying but does not affect retention. CW believed that funding was a complex issue that was not easily understood by governors. MW also believed that the committee should have a governor who understands FE funding and this will be discussed at the next meeting of the Search and Governance Committee.</p> <p><i>Papers will be presented to governors on where we obtain our FE and HE funding for discussion and training.</i></p> <p><i>The requirement for a governor with FE funding experience to sit on this Committee will be discussed at the next meeting of the Search and Governance Committee.</i></p>	<p>LR/SW/ Clerk</p> <p>Clerk</p>	<p>29/11/12</p> <p>19/06/12</p>
<b>8.</b>	<p><b>Discuss the residential use of Hartpury House. Paper GMC08/04/12</b></p> <p>MW presented a paper to convert offices in Hartpury House to 18 student bedrooms which could be used as conference bedrooms out of term time. The cost of converting was less than £20K per room which is much less than new build. MW advised that we are desperate for bedrooms for HE students and with the increased numbers that we have been given this has put more pressure on accommodation. MW advised that first year students expected College accommodation and this had not been possible for a number of years. We are now going to retain the Grange and have the possibility of leasing further rooms off site and a proposal will be heard at next item to build 96 rooms on campus. In response to GvdL GL confirmed that the funding will come from cash and the next stage was to speak to planners and English Heritage if necessary. In response to MJD GL confirmed that the project would be capitalised. In response to MHB GL outlined the staff it would be necessary to move off site to Overton Farm.</p> <p><i>The project to build 18 en-suite rooms in Hartpury House was approved at a cost of £340K on approval of planning and English Heritage consent.</i></p>	<p>GL</p>	<p>Immediate</p>
<b>9.</b>	<p><b>Discuss Business Plan for 96 further student bedrooms. Paper GMC10/04/12</b></p> <p>The need for HE student accommodation had been highlighted in the discussion above. GL explained that in 2010 the College obtained planning consent for Phase 9 residential accommodation which was for the construction of 101 HE beds in the New Vicarage complex. The difficult student recruitment climate for 2012/13 means that the availability of on-site accommodation for new HE</p>		

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	<p>students could be a key success factor in the coming months. Given the limited timeframe available prior to September we have been looking at modular buildings to provide 96 bedrooms and one warden's flat on the New Vic development although after discussions relating to rooms for students with a disability this could now be 98 rooms. These units would be clad in the Hartpury house style with pitched roofs and we would propose purchasing these on HP over 20 years. The tendering process finishes this Friday. Lloyds Bank seem to have little appetite to finance these units and hence the proposed HP route. GL referred Members to the financial evaluation which is based on a 20 year HP deal and shows a surplus of £292k and positive cash flow of £557k over the first ten years. There is the potential that the electrical services and drainage to this part of the campus will need improving. Discussions took place on the possible cost of these service improvements and MW ascertained that the upgrading of the drainage was included in the tender costs for the unit.</p> <p><b><i>The project to build 96(98) student accommodation rooms at a cost of £2.8m excluding professional fees was approved.</i></b></p>	GL	Immediate
10.	<p><b>Discuss land usage and the need for the purchase of land. Paper GMC07/04/12</b></p> <p>MW introduced the paper from the Farm Manager that outlined the land we had available and its current use. The College currently farms 280 acres at Lower Buttersend Farm on a 10 year lease that commenced in September 2007. The lease will not be renewed as the land has been sold to another party. An attached report from GL analysed the cost of purchasing a similar sized plot with a 30 year loan from AMC at various projected costs per acre. The cash requirement of a purchase would mean a cost of between £93K and £123K over and above the current rental payment per year. MW believed that we should ask the bank if borrowing this money would hinder future educational projects. The bank is more uncertain due to the financial situation and MW believed we could investigate the possibility of finding someone to buy land as an investment that we could then farm. JH felt that a pension fund with hundreds of investors may be interested in such an investment.</p> <p><b><i>It was agreed that we would investigate the possibility of a purchase of land by an investor that we could then lease.</i></b></p>	JH	Immediate
11.	<p><b>Approve accommodation fees for 2012/2013. Paper GMC11/04/12</b></p> <p>GL advised that it was a requirement of our auditors that accommodation fees should be approved on an annual basis. The proposed fees showed an increase of between 3% and 4%.</p> <p><b><i>The accommodation fees for 2012/2013 were approved.</i></b></p>		
12.	<p><b>Discuss outcome of investigation on Equine subsidy. Paper GMC12/04/12</b></p> <p>GL advised that following the last GMC, an income and expenditure account was produced for the January Accounts and Members were</p>		

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	referred to this document. The accounts show a total subsidy for the six months of £80.6k against a budget of £104.3k - a favourable variance of £23.7k. Notably the truly commercial activities of major events, shows and the riding school all make a positive contribution. The therapy centre and the yard are heavily involved in educational activities and it is against this background that their performance should be viewed. It is envisaged that as with other commercial activities this level of detail will be included in the monthly accounts on a quarterly basis in future.		
<b>13.</b>	<b>Discuss proposal for Butchery Training linked to a Retail/Wholesale outlet. Paper GMC13/04/12</b>  It was agreed that this discussion should be minuted in close session.		
<b>14.</b>	<b>Discuss changes to the Financial Memorandum-Part 1. Paper GMC14/04/12</b>  GL advised that the Skills Funding Agency has revised Part 1 of the Financial Memorandum. The changes to the Financial Memorandum are a result of the SFA trying to untangle itself from the consequences of the Office of National Statistics move to put Colleges into the public sector. GL explained that in order to do this the SFA have had to reformulate the wording to make itself more arms length from the Colleges rather than having a significant controlling influence. In particular the following have been removed from the document; <ol style="list-style-type: none"> <li>1. Removal of the requirement to seek consent to enter into capital transactions.</li> <li>2. Removal of the need to seek consent to borrow.</li> <li>3. Removal of the need to seek consent to invest in companies delivering education and training.</li> </ol> In addition the document is considerably simplified and the wording is more liberal.  <i>It was agreed that the document will go to the next meeting of the Corporation for them to note.</i>	Clerk	12/07/12
<b>15.</b>	<b>Review process for the release of closed minutes. Paper GMC15/04/12</b>  The Clerk advised that as a result of the new English Colleges Foundation Code of Governance there was a push for greater transparency and corporations are expected to regularly review items classified as confidential and make them publically available once they either cease to be confidential or where the corporation considers that the public interest disclosure outweighs the reasons for them remaining confidential. The Clerk outlined the proposed system and in response to MB advised that he expected all closed minutes to have an agreed review date set at time they were signed by the relevant committees chair and at the review date the Corporation would agree whether they should be released or not. MJD felt that the Clerks review date should be 12 months and not six and this was agreed.		

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	<i>The Policy on the Review of Closed Minutes was approved with the above amendment.</i>	Clerk	Immediate
16.	<p><b>Review issues raised by adopting the English Colleges Foundation Code of Governance and changes to the Instrument and Articles of Government. Paper GMC16/04/12</b></p> <p><b>16.1. There should be regular effectiveness assessment by the Governing Body on the reputation of the College and the views of stakeholders.</b></p> <p>Discussions took place on what measures were currently in place to gauge the views of stakeholders. The range of stakeholders-local residents, local schools, local councils, parents/guardians, students, UWE, suppliers, funding agencies, employers, sponsors and partners-were discussed and how we gained their view on the college and its performance. Local residents were regularly invited to the College for events, had the use of some of the College facilities and a report was made to the Parish Council Annual Meeting where a senior member of staff was available for questions. Meetings took place with District and County Councillors when necessary and a County Councillor was a member of the Governing Body. Parents/Guardians of students under the age of 18 received regular reports on the performance of their child and all parents and guardians were invited to a number of College Events. All parents/guardians of students under the age of 19 had the opportunity to apply to become the Parent Governor on the main Board. The Corporation issued an Annual Report on its performance and welcomed responses. Regular Vocational Panels are held to gather the views of employers and regular meetings were held with our partners. The College has a formal complaints system and an analysis is discussed annually by a Corporation Committee. Regular meetings are held with UWE and we are subject to external audits on their behalf. Other audits take place on behalf of the funding agencies. Student views are regularly assessed through student surveys.</p> <p><b><i>It was felt that this area was adequately covered and would be reviewed in 12 months.</i></b></p> <p><b>16.2. The Corporation shall be responsible for publishing arrangements for obtaining views of staff and students on the determination and periodic review of the educational character and mission and the oversight of its activities.</b></p> <p>A discussion took place of the processes by which the views of students and staff on these matters were obtained.</p> <p><b><i>The arrangements for obtaining the views of students and staff will be published on the College website and intranet and reviewed annually.</i></b></p>	<p>Clerk</p> <p>Clerk</p>	<p>01/05/13</p> <p>Immediate</p>
17.	<p><b>Approve ICT Policies</b></p> <p>GL advised that the policies had been reviewed in response to</p>		

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	<p>internal audit.</p> <p><b>17.1. ICT Acceptable Use Policy. Paper GMC17.1/04/12</b></p> <p><i>The ICT Acceptable Use Policy was approved.</i></p> <p><b>17.2. ICT Password Policy. Paper GMC17.2/04/12</b></p> <p>GL advised that the amended policy was strengthening our current policy in the format and periodic updating of passwords.</p> <p><i>The ICT Password Policy was approved.</i></p>		
<b>18.</b>	<p><b>Note letter from HEFCE on "Recurrent grant and student number control for 2012/2013". Paper GMC18/04/12</b></p> <p>In the absence of SW MW referred Members to the letter from HEFCE and explained that now we were getting some direct funding we would be receiving direct communication rather than through UWE which had been the case in the past.</p> <p><i>The letter from HEFCE was noted.</i></p>		
<b>19.</b>	<p><b>Any Other Business</b></p> <p>There was no further business</p>		
<p><b>Dates of Future Meetings all to be held at 11.00am</b></p> <p><b>The Chair asked Members to note the change of date for the next meeting</b></p> <p>Tuesday 19<sup>th</sup> June 2012</p> <p>Thursday 4<sup>th</sup> October 2012</p> <p>Wednesday 21<sup>st</sup> November 2012</p> <p>Thursday 7<sup>th</sup> February 2013</p> <p>Wednesday 1<sup>st</sup> May 2013</p> <p>Thursday 20<sup>th</sup> June 2013</p> <p>Thursday 3<sup>rd</sup> October 2013</p> <p>Thursday 25<sup>th</sup> November 2013</p>			

**Mr Graham van der Lely**  
**Chair Governors' Management Committee**

**19<sup>th</sup> June 2012**