

GOVERNORS' MANAGEMENT COMMITTEE

Minutes of a Meeting 11.00am Wednesday 1st May 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 Jim Hickman (JH)
Mr Russell Marchant (RM)
Mr Chris Moody (CM)
Mr Charles Whitehouse (CW)

In Attendance Mr Graham Ledden (GL)
Mrs Lesley Worsfold (LW)

Apologies: Mr Bob Barnett
Mr Edward Keene
Mr Luke Rake

Minutes: Mr Rob Lee

		ACTION	ACTION DATE
1.	Apologies Apologies were received from Mr R Barnett, Mr E Keene and Mr L Rake.		
2.	Declaration of Interest – Paper GMC02/05/13 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 GMC03/05/13 Minutes of the meeting held on 7 th February 2013 were agreed to be a true and accurate record and signed by the Chair.		

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4.	<p>Matters Arising</p> <p>4.1. (4.1, 4.1, 4.2, 4.4) Update on review of Agreement with Velcourt.</p> <p>RM advised that the original contract with Velcourt was signed in 2006 and it has been reviewed on two occasions since the last being in February 2011. RM confirmed that we were now at the point for a full review.</p> <p><i>The next meeting will be updated.</i></p>	RM	19/06/13																												
5.	<p>Discuss and Approve monthly accounts for March 2013 to include performance of College commercial enterprises, Employer Engagement and Hartpury Commercial. Paper GMC05/05/13</p> <p>GL advised that the results for the eight months to the end of March show an operating surplus of £209.1K compared to a budgeted surplus of £195.9K, a £13.2K variance which was an improvement on last year where there had been a deficit of £235.9K reported for this period. GL advised that our income was £227.6K favourable to budget and outlined the major reasons for this. GL advised that whilst there was still a way to go we were more comfortable with the UWE data and we are showing a £168.3K favourable figure to budget on HE funding. In response to GvdL GL advised that we have to have our own systems to look after our own numbers but we still have some UWE numbers as well. It is necessary to discuss the top slice as we are paying 20% on all numbers including our own direct from HEFCE which we will start taking over the administration for from UWE. In response to GvdL RM confirmed that the problems experienced with UWE administrative systems had impacted on students and that he did not expect much improvement. It was not such an issue for UWE as it was internal and RM did not expect much improvement until we take over UCAS return in September 2015. GvdL stated that there would be great concern if UWE had the same problems affecting students as last year. RM advised that we were working to put the effort in to smooth the process and were building relationships with key people at UWE. CM advised that in his experience there are these sorts of problems between Universities and colleges who often have to run duplicate systems as they are unable to trust their university partners. We of course had not until last year experienced these sorts of problems. GL outlined the reasons for some of the other variances to budgeted income. GL explained that there was an unfavourable variation to budget on Direct costs of £22.7K and Fixed Costs of £191.7K and explained the reasons.</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>102.6</td> <td>(3.2)</td> <td>105.9</td> </tr> <tr> <td>Bar</td> <td>(45.3)</td> <td>(51.3)</td> <td>6.0</td> </tr> <tr> <td>Conferencing</td> <td>46.5</td> <td>91.0</td> <td>(44.5)</td> </tr> <tr> <td>Equine</td> <td>(136.1)</td> <td>(169.3)</td> <td>33.2</td> </tr> <tr> <td>Farm</td> <td>(252.4)</td> <td>(40.4)</td> <td>(212.0)</td> </tr> <tr> <td>Residential</td> <td>1257.9</td> <td>1233.2</td> <td>24.8</td> </tr> </tbody> </table>		Actual £000's	Budget £000's	Variance £000's	Catering	102.6	(3.2)	105.9	Bar	(45.3)	(51.3)	6.0	Conferencing	46.5	91.0	(44.5)	Equine	(136.1)	(169.3)	33.2	Farm	(252.4)	(40.4)	(212.0)	Residential	1257.9	1233.2	24.8		
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	<p style="text-align: right;"> Transport (514.8) (517.5) 2.7 Business 83.4 167.1 (83.7) </p> <p>GL advised that the positive variance in Catering Department was majorly down to a higher than budgeted sale of meal packages and not being fully utilised by students. GL advised that there had been a refurbishment of the main Refectory over Easter. RM advised that the refurbishment had brought about a change in the way we serve and price our food giving students an improved choice and value for money. RM believed that students already had their eating habits for this year and the improvements will show results from the new academic year. LW advised that we had already received positive feedback from students and staff about the new facility. GvdL advised that he had visited the refurbished Refectory with the Vice Chair and agreed that it was a considerable improvement. RM advised that we would be developing Penfolds before the start of the next academic year. GL advised that there was continuing concern over the performance of the Farm but this had been discussed earlier. GL advised that whilst Hartpury business had not been performing to budget with much lower than expected income being generated from short courses the margin is generally unaffected after ignoring the shortfall on Partnership provision which is largely seasonal with most activity occurring in the final quarter of the year.</p>		
6.	<p>Update on Capital projects. Paper GMC06/05/13</p> <p>6.1. New FE Learning Resource Centre and A Level Centre.</p> <p>GL advised that following confirmation from the SFA that our application for a grant had been successful we have asked the SFA to consent to a variation to the original plan as we wish to increase the size of the proposed building. GL confirmed that we are waiting planning and SFA consent and a formal offer from the Bank. Completion was expected to be mid-2014. GL also confirmed that we have terminated our leases at Overton Farm and RM confirmed that all staff will be accommodated on site from 1st September 2013.</p> <p><i>Approval was given to increase the size of the building for the FE Independent Learning Centre and A Level Centre from 1,372 square metres to 1,850 square metres at a total cost of £3550K to be funded by £1110K from SFA Grant, together with increased borrowings of £2200K (subject to receiving satisfactory Facilities Letter) and £240K from our own funds.</i></p> <p>6.2. Laughton's Farm</p> <p>GL confirmed that the SFA Renewal Grant of £120K had been received and was in our Bank and this was to be used towards the rebuilding of Laughton's Farm. However we have had to withdraw our planning application as the presence of bats has been found in the loft and this will delay the project by at least six months. GL also advised that the initial quotes received had come back higher than expected and it was thought this may have been due to the initial short build time which is no longer the case so this is being reviewed. GvdL observed that there had been a figure of £220K in the Principals Budget for this project but this had disappeared. RM advised that we would need to</p>	GL	Immediate

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	<p>find the funding from next year's budget.</p> <p>6.3. Sports Academy Roof</p> <p>GL advised that structural engineers have now reported on the roof and have concluded "It is considered that the roof is generally fit for purpose in terms of weather protection and adequate support having been provided by implementation of measures recommended as construction progressed." They further recommend twice yearly inspections and localised repair of any tiles and flashing. RM explained that this was not a fault with the roof but to inspect damage made by rugby balls. GL advised that overall they had agreed "it is deemed that the roofs should fulfil their required purpose and retain their normal life expectancy". GL further advised that the College's insurers have been sent a copy of this report and their response is awaited.</p> <p>6.4. College Capital Investment Fund</p> <p>GL advised that the SFA invited expressions of interest in respect of a £270m fund which was announced in the Chancellor's Autumn Statement. We had been advised that we are eligible to apply for this funding and that typically it will be for projects over £3m with the SFA providing one third of the funding. The possibility of being awarded a greater proportion of funding than one third has been explored with the SFA and we made two bids, one to build a new Foundation Studies and Farm Mechanisation Building and second to extend the Sports Academy. GL advised that since writing his Report we had been informed by the SFA that we had been unsuccessful. In response to GvdL GL advised that we did not know the reasons but a meeting was planned with the SFA and there is an opportunity to re-bid on the 26th May 2013.</p> <p>6.5. Principals Capital Budget</p> <p>RM advised that accounting for the projects already completed and those planned, which included an amount of £120K for power upgrade, there was a balance of £268K in his fund.</p>		
7.	<p>Discuss progress on Corporation KPI's. Paper GMC07/05/13</p> <p>RM advised that we are reviewing the Corporation KPI's and attempting to link them to the development of a balanced scorecard system. This would be presented regularly to the Corporation and would enable governors to see how areas of the College are performing. RM outlined the areas that would be covered initially concentrating on Student Focus, Business Process, Staff and Finance. There would be high level KPI's that would indicate potential problems which could then be looked at in more detail. RM advised that together with the Clerk he was looking at ways to incorporate the balanced scorecard system within the current objectives although it was agreed that this are flexible and can be amended or added to. GvdL believed that it was important that we looked at Teaching and Learning and advised that there have been 36 Ofsted inspections of FE Colleges in the period Sept 2012 to March 2013 under the new regime and none have achieved a grade 1 for Overall Effectiveness or grade 1 for Teaching and Learning. Only 1 FE College, Kirklees, has achieved a grade 1 for Leadership and Management. CM believed there were some more outstanding colleges now but not all published but as Ofsted were inspecting the worst colleges first, decided through their risk assessments, then you would have expected these types of results. RM believed that we need to look at the structure of the committees</p>		

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	<p>and the way the agendas are designed. CM believed that too often Boards focus upon finance and capital projects because that reflects Governor interest and expertise. CM felt strongly that above all Colleges should be curriculum led and this will need a different approach. GvdL agreed that governors will have to have ownership of key issues. GvdL briefly outlined the discussions taking place on possible changes in the structure of the Board and how it operates which had resulted in the Clerk sending an e-mail, on his behalf, to all Members outlining certain areas being considered and asking for their views. GvdL felt that to enable governors to have more ownership we may need to rationalise some of the committees. A paper will be put to the next meeting of the Search and Governance Committee and a recommendation will go to the next Board Meeting.</p> <p><i>A further draft of the KPI's will be presented to the next meeting and approved at the next Board Meeting.</i></p>	RM/ Clerk	19/06/13 11/07/13
8.	<p>Approve accommodation fees 2013/2014. Paper GMC08/05/13</p> <p>LW advised that it is proposed for accommodation fees to increase by approximately 4% with the exception of the off-site properties which have not increased. Last year all HE rooms had a fridge and it is proposed to do the same for FE rooms in 2013/14.</p> <p><i>The Accommodation Fees for 2013/2014 were approved.</i></p>		
9.	<p>Review options on the use of renewable energy.</p> <p>9.1. Discuss proposal for use of Biomass heating. Paper GMC09.1/05/13</p> <p>GL advised that as part of the drive to increase renewable energy on campus and reduce costs a consultant had been commissioned to review options available. The consultant looked at our current energy usage which costs over £675K per annum and investigated the alternatives. Initial analysis suggested Biomass, on building PV and wind turbines should be investigated further and GL referred Members to the proposal for the use of Biomass heating. RM believed that we should look in more detail at the proposals for Hartpury North 2 and Hartpury South 1. Hartpury North 2 covers the Sports Academy, Gloucester RFC, the Dingle and the proposed new A Level centre. Hartpury South 1 covers Catsbury, LRC, Mark Davison and Refectory. In response to GvdL RM advised that these two schemes avoid the higher costs of converting the accommodation blocks to wet heating system but these would be able to be converted later. CW enquired whether we had considered Biomass versus Bio Refinery. RM advised that we had assessed the risk on supply, renewable heat incentive and efficiency of boiler. In response to GvdL GK advised that the projects would be eligible for a SALIX 4 year loan.</p> <p><i>It was agreed that we should pursue these options in more detail and report to the next meeting.</i></p> <p>9.2. Discuss potential option for use of Biogas. Paper GMC09.2/05/13</p> <p>RM advised that the paper outlined a new technology and there are currently no such plants in this country. We needed to look at other areas not just Biomass particularly as we produce 12 tons of horse muck per day. However cost benefits are small and this option is not stacking up.</p>	RM/GL	19/06/13

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10.	<p>Approve Bank signatories for Horse Trials. Paper GMC10/05/13</p> <p><i>It was agreed that R Marchant, G Ledden, I Williams, R Scott-Ward and P Cheetham would be approved Horse Trial Bank signatories.</i></p>	GL	Immediate
11.	<p>Discuss the establishment of a Charitable Trust. Paper GMC11/05/13</p> <p>GL advised that following an enquiry from an ex student, he has investigated the most appropriate way of creating a charitable vehicle to handle donations/bequests. It has been found that we could establish a Trust and have this registered as a charity once its income exceeds £5000pa. This income threshold can be achieved prior to any bequest from a third party by the College gifting such a sum to the Trust. Our solicitors could establish the Trust, which we would then need to register with the Charity Commission. The key elements for the College to decide are the Trust's objects and the Trustees. GL suggested that the Trustees could be Chair of Governors, Vice Chair of Governors, the Principal and the Vice Principal Business and Finance. JH believed that we should get a fixed price from our solicitors for setting up this charitable trust.</p> <p><i>It was agreed that a Charitable Trust should be set up as outlined.</i></p>	GL	Immediate
12.	<p>Any Other Business</p> <p>There was no other business.</p>		
13.	<p>Dates of future meetings all at 11.00am.</p> <p>Thursday 6th February 2014 Thursday 1st May 2014 Wednesday 19th June 2013 Tuesday 24th June 2014 Thursday 3rd October 2013 Thursday 9th October 2014 Thursday 14th November 2013 Thursday 27th November 2014</p>		

Mr Graham van der Lely
Chair Governors' Management Committee

19th June 2013