

GOVERNORS' MANAGEMENT COMMITTEE
Minutes of a Meeting
11.00am Thursday 4th October 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 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 Bob Barnett

Minutes: Mr Rob Lee

		ACTION	ACTION DATE
1.	The Chair welcomed the Principal and Mr C Moody to their first meeting. Apologies Apologies were received from Mr R Barnett		
2.	Declaration of Interest – Paper GMC02/10/12 The Principal, Clerk, Mr L Rake, Dr S Waite and Mrs L Worsfold declared an interest in Agenda Item 12. It was agreed that they could take part in any discussion but not any vote. The Clerk advised that member's interests would be taken as those disclosed in the Register of Members Interests. There were no further declarations of members interests for agenda items.		
3.	Minutes of the Last Meeting – Paper GMC03/10/12 Minutes of the meeting held on the 19 th June 2012 were agreed to be a true and accurate record and signed by the Chair.		

		ACTION	ACTION DATE
4.	<p>Matters Arising</p> <p>4.1. (4.1) Update on Limbury Ltd tax issue. Paper GMC04.1/10/12</p> <p>GL advised that following the last meeting this matter was progressed to a conclusion prior to 31 July 2012. The report commissioned from Grant Thornton was used to chart a course to ensure that the various tax issues could be avoided. This took into account potential issues with corporation tax, capital gains tax, stamp duty land tax and VAT. GL advised that prior to proceeding with the transaction he obtained a professional valuation for the sale price of the buildings and the fixtures and fittings, which amounted to £15.9m and £600k respectively. As a result contracts for the transfer of the residential student accommodation in Limbury Ltd to the College were drawn up and executed on 26 July 2012 and hence the tax issue in Limbury is now resolved. Lloyds Bank had indicated that they had no objection to the transfer but unfortunately the novation is not acceptable and until agreed the loans continue in the name of Limbury Ltd. In response to MJD GL advised that there would be no further tax issues with Limbury Ltd but we would not be able to move Limbury Ltd to being a dormant company until the novation problem with Lloyds has been sorted.</p> <p>4.2. (4.4) Review agreement with Velcourt.</p> <p>RM advised that he was still waiting to meet the management of Velcourt and this should be carried forward.</p> <p><i>Review agreement with Velcourt.</i></p> <p>4.3. (4.6) Availability of software to monitor receipt of payments.</p> <p>GL advised that this related to the tracking of payments after the loss of milk income due to our contractor going into liquidation. GL advised that there was a spread sheet in place to track all the large payments that were due such as milk, SFA, HEFCE and UWE.</p> <p>4.4. (4.7) Update on strategic priorities on the purchase of land.</p> <p>RM advised that this is included in agenda item 6.</p>	RM	21/11/12
5.	<p>Discuss and Approve monthly accounts for July 2012 to include performance of College commercial enterprises, Employer Engagement and Hartpury Commercial. Paper GMC05/10/12</p> <p>GL advised that the results for the full year, subject to audit and FRS17 adjustments show a surplus of £417.9K compared to a budgeted surplus of £398.0K and represents a £19.9K surplus over budget. The current year's surplus is increased by £45.5K to £463.4K due to write back from previous year of provision in relation to dilapidation costs for the Dingle. The result is after accounting for the £100K loss of milk income and is therefore an improvement on the mid-year forecast of £337K. GL outlined the major variances in income and costs. GL advised that the FRS17 had been hugely variable over the last four years even though over that period our staff profile had hardly changed. In response to MJD GL confirmed that we pay an Actuary employed by Gloucestershire County Council. In</p>		

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	<p>response to GvdL GL confirmed that due to these wide variations we monitor our figures before FRS17 adjustments.</p> <p>GL outlined the performance of the Colleges commercial activities.</p> <p>The Chair felt that in a very tight year this was a good result.</p> <p><i>The accounts for July 2012 were approved.</i></p>		
6.	<p>Review procedures for Strategic Review.</p> <p>RM advised that the International Strategic Plan usually came to this meeting for discussion and approval but RM explained as he was undertaking a review of FE and HE, which is core to where we are and how we go forward, this would form part of this exercise. RM expected to have the first drafts of the HE and FE strategic review by the Governors' Away Day on the 29th November 2012. RM explained that beneath these plans would be further reviews of other areas such as Finance, Estates and Marketing. In response to MJD RM advised that Estates strategy would include new build and maintenance and we would therefore need a Condition Survey. MB believed that the strategic review should outline the type of institution we are going to be and our overall aims and objectives. GvdL believed that we need to have a strong look at the HE strategy now we are in the first cycle of high fees and direct numbers.</p> <p>GvdL thought that this was the time to look at our HE numbers for this year. SW advised that our numbers were up on last year. Numbers available were 180 UWE funded and 352 of our own HEFCE funded, which totals 532, plus unlimited number of AAB students. SW advised that the number of new students currently stands at 499 with a further 25 that could enrol bringing the total to 524. SW advised, however, that the enrolment numbers included 67 AAB students which were outside of the 352 of our own funded numbers and he had approached UWE to see if these could be reallocated between programmes. The College budgeted number was 461 FTE Home Undergraduates which is the same as the previous year's budget. SW advised that applications were 20% down on the previous year but the conversion rate was higher and we still have a number who need to fully enrol. CM felt that the situation was confused and we needed a report on actual situation as soon as possible. CM also advised that the situation across the country was very uneven. In response to CW SW confirmed that our entry requirements had gone up to match our competitors. In response to GvdL SW confirmed that the data should be fixed by the middle of the month and RM advised that currently we were unsure of the rules relating to claw back and future numbers but a meeting had been arranged with HEFCE.</p> <p><i>It was agreed that the most recent enrolment data will be sent to Members as soon as possible and this will be followed by an update when the numbers are more complete.</i></p>	SW/ Clerk	Immediate
7.	<p>Review requirements for student accommodation. Paper GMC07/10/12</p> <p>GL advised that we would need to revisit this area as part of the strategic review. GL advised that with the purchase of the Dingle and conversion of 21 bedrooms in Hartpury House we have 1198 beds available made up as follows: -</p>		

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	<table border="0"> <tr> <td>On-site</td> <td>Single ensuite</td> <td>829</td> </tr> <tr> <td></td> <td>Twin ensuite</td> <td>94</td> </tr> <tr> <td></td> <td>Twin</td> <td>112</td> </tr> <tr> <td>Off-site</td> <td>Single</td> <td><u>163</u></td> </tr> <tr> <td>Total</td> <td></td> <td>1198</td> </tr> </table> <p>GL advised that following enrolment all on-site beds are full but we have 25 empty beds off-site. LW advised, however, that we do now have some bed spaces in the Dingle and Catsbury which are the twinned rooms that are not as popular. GL believed that giving the current understanding of demand it would be difficult to justify any further exposure / investment in off-site accommodation for first year students. The excess supply could, however, be marketed to 2nd and 3rd year students if this is done on a timely basis. GL advised that we currently have 335 on-site rooms allocated to HE students (including a number of Internationals who remain on site for 2 -3 years) and hence given a recruitment of say 450 first years, we would need to provide at least a further 150 beds if the objective was to enable all first years to have on site rooms. In response to GvdL GL agreed that if the 21 rooms on-site had not been available this would not necessarily have taken up the slack that we have off-site. There were a number of options such as not allowing international students to stay on site for the length of their course and 2nd year FE students automatically having accommodation that could help with over demand.</p> <p>In response to CW GL advised that we subsidized each student who travelled on our transport by the amount of £1000 per academic year. GL confirmed that the charge for our transport was variable between £525 and £725 per academic year according to distance. In response to CW GL confirmed that the subsidy was on top of this charge.</p>	On-site	Single ensuite	829		Twin ensuite	94		Twin	112	Off-site	Single	<u>163</u>	Total		1198		
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8.	<p>Update on possible application for a University Technical College.</p> <p>RM advised that he would be able to send a full report to the next Corporation Meeting by which time his investigations would have been completed but he was able to give Members some initial feedback. University Technical Colleges (UTC's) are 14-19 age group technical colleges sponsored by a university/college with 500-800 pupils with approximately 125 in each year group. RM stated that there were a number of key issues-Local Authority support, Industry support and University sponsorship. RM advised that we do not have a close working relationship with the Local Authority and after initial conversations between one of our governors and senior people within the Education Department it seems as though we would not get their support. The main reason for this would be that there is already an under occupancy in schools and they believe that the setting up of a UTC would make this situation worse. Industry support would be more difficult as we deal mainly with SME's. GL and LR had attended a meeting on UTC's in London and whilst they would like a land based UTC they would be looking more towards food and drink. RM advised that university sponsorship would be less problematical as the RAC is open to exploring this with us. RM also advised that he was struggling to find benefits for the College and could see potential problems with residential and transport. In response to GvdL RM advised that the governing body of a UTC does not come directly under a college corporation. RM advised that at this stage he would recommend that we go no further. CM felt that this was a very accurate analyse and advised that as Chair of Governors of a UTC in Daventry sponsored by Moulton College and University of Northampton the set of</p>																	

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	<p>circumstances had been totally different. CM believed that without the support of the local authority you could not continue and therefore supported RM's recommendation.</p> <p><i>The final decision on the University Technical College will be made at the next meeting of the Corporation.</i></p>	RM	25/10/12
9.	<p>Update on Capital Projects. Paper GMC09/10/12</p> <p>9.1. The Dingle</p> <p>GL advised that the re-cladding was completed in time for the students to take occupation. There had been some additional works associated with fire regulations which has led to overspend of £48K which will be funded from cashflow.</p> <p>9.2. Modular Building of 96 Bedrooms at Ne Vic.</p> <p>Due to concerns over levels of student demand this has not been progressed.</p> <p>9.3. Hartpury House</p> <p>GL advised that the 21 ensuite bedrooms in Hartpury House were completed in time for student occupation in September and will be within budget.</p> <p>9.4. Dingle 2</p> <p>GL advised that plans for an additional 50 twin en-suite rooms next to the existing Dingle block have been drawn up. Our architects are currently preparing a planning application for this work and it is hoped that this could be received prior to Christmas. GL advised that this is the preferred option to the New Vic build and it is hoped that this could be built in time for September 2013 if the likely demand for residential accommodation warrants it. In response to GvdL GL advised that we would have to start building at the beginning of the new year to meet this deadline. GL further explained that these plans will incorporate a proposal to turn the main drive into two-way traffic so that the area around the Dingle can be fully pedestrianized and the two Dingle blocks integrated more closely with the Rudgeley complex. In response to MJD GL advised that the reason the Dingle was chosen instead of an alternative location was that this is already where the majority of our under 18 accommodation is already situated. RM believed that we should apply for planning whilst we evolve our HE, FE and Finance strategy. It was unlikely that we would be able to find the finance for this project and the Enhanced Renewal Grant which is being discussed later.</p> <p>9.5. Renewal Grant</p> <p>GL advised that we have been awarded a Renewal Grant from the SFA of £120k and we will have to put £240k of our own funds towards a project of rationalisation and rebuilding of substandard accommodation. GL advised that the likely project for this fund is the rebuilding of Laughton's Farmhouse which is in a considerable state of disrepair.</p>		

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	<p>9.6. Enhanced Renewal Grant</p> <p>GL advised that following the announcement of a further round of Enhanced Renewal Grant we have resubmitted the application for a new FE Independent Learning Centre. We were unsuccessful last time and so the revised application will show that we have designated the ground floor as an A Level Centre in view of the substantial increase in the number of A Level students. Part of the bid will include the rationalisation of substandard accommodation and we have identified a number of buildings which will become surplus to requirements if the bid is successful. GL advised that the total cost of the project is estimated to be £3,329k, requiring bank funding of £2,219k. GL referred Members to the attached schedules which show the NPV of the project as £1,120k after including the impact of gaining 35 students, while conversely a "do nothing" appraisal shows a negative NPV of £1,709k as this assumes that the current level of A Level provision would be unsustainable and we would lose 23 students. In response to GvdL RM advised that he did see this as a priority as it would dramatically improve A Levels; support FE out of the classroom; help with the HE focus and we would be able to move staff back from Overton Farm.</p> <p><i>Approval was given to the project to build an FE Independent Learning Centre at a total cost of £3,328,811 together with increased borrowings of £2,219,218 subject to final acceptable terms being negotiated with the Bank.</i></p>	GL	Immediate
10.	<p>Agree process for the review of Corporation Key Performance Indicators. Paper GMC10/10/12</p> <p><i>It was agreed that the Corporation KPI's would be reviewed together with the review of the Strategic Plan that is taking place with an objective that the Strategic Plan and resulting KPI's will be ready for approval at the March 3013 Board Meeting.</i></p>	RM/ GvdL/ Clerk	07/03/13
11.	<p>Approve authorised signatory, directorships and credit card arrangements for the Principal. Paper GMC11/10/12</p> <p><i>It was agreed that the Principal would be an "A" signatory for the main bank accounts in Hartpury, Rudgeley Services Ltd and Limbury Ltd.</i></p> <p><i>It was agreed that the Principal would be a Director of Rudgeley Services Ltd and Limbury Ltd.</i></p> <p><i>It was agreed that the Principal would be the Primary Programme Administrator for the corporate credit relationship with Lloyds TSB.</i></p> <p><i>It is agreed that the Principal will have a corporate credit card with a credit limit of £10,000.00</i></p>	RM/GL RM/GL RM/GL RM/GL	Immediate Immediate Immediate Immediate
12.	<p>Approve membership of the College Health Scheme. Paper GMC12/10/12</p> <p>The Clerk advised that this item was on the agenda as there were no plans to hold a Remuneration Meeting where it would normally be discussed. GL</p>		

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	<p>Workplace: Safety Policy and Guidance were approved.</p> <p>14.3. Code of Professional Conduct. Paper GMC14.3/10/12</p> <p>LW advised that amendments had been made to keep in line with best practice and legislation.</p> <p>Amendments to the Code of Professional Conduct were approved.</p> <p>14.4. Recruitment and Selection Policy. Paper GMC14.4/10/12</p> <p>LW advised that amendments have been made to keep in line with legislation.</p> <p>Amendments to the Recruitment and Selection Policy were approved.</p> <p>14.5. Social Media Policy. Paper GMC14.5/10/12</p> <p>LW advised that this is a new policy to ensure that we are in line legislation and with best practice.</p> <p>The Social Media Policy was approved.</p> <p>14.6. Public Interest Disclosure Procedure. Paper GMC14.6/10/12</p> <p>LW advised that amendments had been made to keep in line with best practice and legislation.</p> <p>The Public Interest Disclosure Procedure is recommended to the Corporation for approval.</p>	<p>LW</p> <p>LW</p> <p>LW</p> <p>Clerk</p>	<p>Immediate</p> <p>Immediate</p> <p>Immediate</p> <p>25/10/12</p>
15.	<p>Discuss Vision for Hartpury Sport. Paper GMC15/10/12</p> <p>RM advised that the Executives, the Director of Sport and the Sports Academies had developed a "Vision for Hartpury Sport" that outlined what Hartpury Sport was and what it wanted to achieve and to make it more visible. The paper outlined how this would be achieved. MB advised that as Link Governor he had met with the Director of Elite Sport and they had discussed the vision and what was planned for Hartpury Sport. The Chair advised that the Director Of Elite Sport would be making a presentation to the governors at the next Board Meeting.</p>		
16.	<p>Any Other Business</p> <p>16.1. CULTIVA</p> <p>MHB advised that he would be attending, with the Principal, a meeting of Cultiva next week. GvdL believed that we should try to find out where the organisation was going and plans for the future. GL advised that there were regular meetings of the Cultiva Finance Directors.</p> <p>16.2. Ofsted Inspection</p> <p>CW believed that we should minute the congratulations from the governors to the staff particularly to LW and her residential staff for being</p>		

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	<p>graded as "Outstanding" in the recent Ofsted Care Standards audit. GvdL advised that he had sent a message of congratulations from the governors to the staff and thought that this had been a fantastic way to start the year.</p> <p>16.3. Badger vaccination.</p> <p>RM advised that a 36 day badger trapping exercise had been completed and only three badgers had been found on College land and these had been vaccinated. In response to MJD he believed that they had been tested for TB but we had not been informed of the results.</p>																
17.	<p>Dates of future meetings all at 11.00am</p> <p>Note change to date of June 2013 meeting as original date of 20th June now clashes with FE Prize Day.</p> <table border="1"> <tbody> <tr> <td>Wednesday 21st November 2012</td> <td></td> </tr> <tr> <td>Thursday 7th February 2013</td> <td>Thursday 6th February 2014</td> </tr> <tr> <td>Wednesday 1st May 2013</td> <td>Thursday 1st May 2014</td> </tr> <tr> <td>Wednesday 19th June 2013</td> <td>Tuesday 24th June 2014</td> </tr> <tr> <td>Thursday 3rd October 2013</td> <td>Thursday 9th October 2014</td> </tr> <tr> <td>Thursday 25th November 2013</td> <td>Thursday 27th November 2014</td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Wednesday 21 st November 2012		Thursday 7 th February 2013	Thursday 6 th February 2014	Wednesday 1 st May 2013	Thursday 1 st May 2014	Wednesday 19th June 2013	Tuesday 24 th June 2014	Thursday 3 rd October 2013	Thursday 9 th October 2014	Thursday 25 th November 2013	Thursday 27 th November 2014				
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Mr Graham van der Lely
Chair Governors' Management Committee

19th November 2012