

## SEARCH and GOVERNANCE COMMITTEE

### Minutes of an Extraordinary Meeting 9.30am Wednesday 21<sup>st</sup> June 2017 Thomas Mawson Room

**Present:** Mr Edward Keene (Chair) (EK)  
Ms Ingrid Barker (IB)  
Mr Russell Marchant (RM)  
Mr Graham Papenfus (GP)  
Mr Graham van der Lely (GvdL)  
Mr C Whitehouse (CW)

**In Attendance:** Mr Mark Davison

**Apologies:** Mr Ken Nottage

**Minutes:** Mr Rob Lee

		<b>ACTION</b>	<b>ACTION DATE</b>
1.	<p><b>Apologies</b></p> <p>Apologies were received from Mr K Nottage.</p>		
2.	<p><b>Declaration of Interest. Paper SG02/06/17</b></p> <p>The Clerk advised that members' interests would be taken as those disclosed in the Register of Members Interests. There were no declarations of members interests for agenda items.</p>		
3.	<p><b>Discuss and recommend governance structure of Hartpury University and Hartpury College. Paper SG03/06/17.</b></p> <p>EK advised that the meeting has been called to enable us to debate how the two institutions will look in the future and to influence future discussions on this issue. EK advised that the proposals in the attached document were not fixed and were for discussion and to bring structure to the meeting. EK believed that the aim was to keep the institutions running as if they were one, wherever possible, as this will ensure parity and avoid potential areas of conflict. EK therefore asked that we should decide the best way forward, the reasons for this and then seek approval from Eversheds, the ESFA or DfE which ever was appropriate. RM advised that</p>		

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<p>the Corporation has discussed on several occasions a number of options for converting to an HEC as we did not meet the 55% of our delivery being HE. The paper contained our preferred option which is the one that should be communicated to the appropriate bodies as such. EK advised that there were a number of buildings that were classified as FE, particularly the Malcolm Wharton Centre and College Learning Centre and he proposed that all assets should be transferred to the HEC and where necessary leased back to the FEI. In response to MJD RM advised that the initial reaction from the Transaction Unit, who are deciding on our designation applications, was one of being open minded but potentially there is a VAT problem which could lead to us having to pay a portion of VAT that had been exempted at the time. RM explained that the buildings mentioned had been built for FE only and were VAT exempt and that a transfer to the HEC could trigger a VAT payment. RM explained that we will need to take advice as whilst the liability decreases over 10 years it could still lead to a £500K bill. RM advised that the Transaction Unit have a fund that may cover this if a bill became payable. In response to EK RM advised that to his knowledge no institution runs FE and HE on the same campus. EK stated, therefore, that this makes us unique and this must be another point stressed to the Transition Unit. GvdL questioned whether this split with the HEC owning all the assets would affect future FE capital funding. RM believed it could make it more difficult but felt this could be overcome. EK advised that the paper suggested that each Board should have ten non executive members and questioned whether this was too many and maybe it should only be eight. RM believed that if we were suggesting that the Head of FE should become an ex-official governor then this should also apply to the person in charge of HE but he would prefer that they were in attendance together with other members of the SMT. This was agreed. In response to GP RM believed that the HEC Board would have more business than the FEI Board. GvdL also believed that numbers will depend on the committee structure. CW believed that we need to be conscious of governor workload. EK advised that the preferred option would be to have committees covering both institutions but GvdL questioned whether this would be possible in such areas as audit where each institution would have a statutory requirement to set up an Audit Committee. EK believed that as the assets would be with the HEC and the majority of the functions audited would cross both institutions then it would make sense to have one committee but advice would need to be sought. In response to GvdL RM believed that we would not have separate accounts but group accounts but once again this would have to be clarified. Discussions took place on other committees that would be required and it was felt that all bar the scrutiny of academic quality the preferred option would be to have committees that cover both institutions. It was agreed that QuEST will continue to monitor academic quality but for FE only. EK advised that he would not want to lose the scrutiny of HE quality particularly as greater scrutiny of HE was an increasing requirement. GvdL outlined how this was dealt with by UWE who have a Strategic Planning and Performance Committee which primarily deals with academic performance. RM agreed there was a need</p>		

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<p>for a HE quality committee as this was not the job of the Academic Board. RM felt it dangerous, however, only to have a strategy committee within the HEC with FE not being part of this and that there needed to be a strategy group covering both institutions. GvdL believed that we currently look on strategy as a separate exercise generally discussed in March each year and setting up a committee with strategy as part of its remit would embed this important area in the Boards work throughout the year making it more coherent. GvdL has been given authority by the Vice Chancellor of UWE to circulate papers from the UWE meetings if required. EK agreed that it was important for both teams to put together the strategy feeding in to the Boards. CW voiced a concern over reducing the number of Board Meetings although he appreciated this would reduce the workload of governors. It was agreed that as part of the modelling different frequencies would be tested. CW advised that one of the interesting areas that had come out of the Executive Planning Day was the desire to have a greater merging of FE and HE lecturers. EK advised that in his 1:1 with Sean Lynn the Staff Governor, who is a FE lecturer, mentor, warden and rugby coach was his tremendous support for the strategy of TDAP and becoming a university. He believed that this would give a tremendous boost to FE. In response to MJD it was confirmed that the College President is aware of our strategic direction and had been involved in several of the planning meetings. It was agreed that we should send him the minutes from this meeting.</p>		
<p><b><i>The preferred option is that the current Hartpury Further Education Corporation (FEC) sets up a wholly owned subsidiary company limited by guarantee which operates the further education provision which becomes the new Further Education Institution (FEI). The current FEC converts to a Higher Education Corporation (HEC) and becomes a Higher Education Institution (HEI) and this should be communicated to Eversheds and the appropriate government bodies.</i></b></p>	RM	As required
<p><b><i>The preferred option is that all assets should be transferred to the HEI and leased to the FEI where appropriate. Legal advice on the VAT issue must be sought and whether the Transaction Unit Fund can be accessed to cover any payment that becomes due.</i></b></p>	RM	When necessary
<p><b><i>With the HEI holding all the assets clarification needs to be sought on future FE capital funding.</i></b></p>	RM	When Necessary
<p><b><i>It is recommended that the Principal should be an ex-officio member of both Boards and members of the SMT should be in attendance.</i></b></p>	Clerk	When Boards Agreed
<p><b><i>The preferred option is to have one Audit Committee and Group Accounts but the statutory requirements need to be clarified.</i></b></p>	RM	When Necessary

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	<p><i>The preferred option is to have committees that cover both institutions, other than the scrutiny of academic performance, and clarification needs to be sought. This should include a committee that has strategic planning and monitoring as part of its remit.</i></p> <p><i>Board and committee structures will be modelled to clarify numbers of governors required and workload.</i></p> <p><i>It was agreed that Eversheds will be asked to draft Articles and Memorandum for Hartpury University and Hartpury College.</i></p> <p><i>The College President will be sent the draft minutes from this meeting.</i></p>	<p><b>RM</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p>	<p><b>When Necessary</b></p> <p><b>30/06/17</b></p> <p><b>When Required</b></p> <p><b>30/06/17</b></p>
4.	<p><b>Review outline timelines for applications to become a Higher Education Corporation and to gain University Title. Paper SG04/06/17.</b></p> <p>RM advised that there is a requirement to submit applications for FE designation, for transfer from a FEC to a HEC and University Title in parallel and meetings are scheduled with the DfE, EFSA and HEFCE to understand the application requirements clearly. RM explained that the aim is to submit the applications by the end of Summer 2017 with a view to structures being approved by April 2018. The application could take approximately 6 months following receipt. This would enable us to market ourselves as a University for the 2018 intake. In response to GvdL RM acknowledged that this was a huge workload as all degrees for first years would have to be re-validated. EK commented that the timescale was very tight and RM agreed and advised it would become clearer over the next couple of weeks after meetings with the Transaction Unit and HEFCE.</p>		
5.	<p><b>Recommend Scheme of Delegation. Paper SG05/06/17.</b></p> <p>The Clerk advised that in applying to become a Higher Education Corporation and a University there will be decisions that need to be agreed by the Corporation but the timing of these is unknown and it would be helpful therefore to give the Chair delegated authority in these matters. The following Scheme of Delegation is proposed.</p> <p><b>The Chair has delegated authority to act on any issue relating to the Colleges applications to become a Higher Education Corporation and gaining University Title which is both urgent and important which would normally be dealt with by the Corporation, where action cannot wait until the next scheduled meeting of the Corporation and where it is not possible to convene a quorate special meeting of the Corporation. In exercising this authority, the Chair should consult with the Vice Chair, the Principal and the Clerk and such other members of</b></p>		

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	<p><b>the Corporation that are available at that time. Any decisions or actions taken will be reported to the next meeting of the Corporation.</b></p> <p>EK advised that he will always consult with appropriate governors before any decisions are made. MJD suggested that the wording therefore should be changed from the Chair should consult to the Chair will consult.</p> <p><b><i>It is recommended that the Corporation approve the Scheme of Delegation with above amendment.</i></b></p>	<b>Clerk</b>	<b>13/07/17</b>
6.	<p><b>Review Membership of the Search and Governance Committee. Paper SG06/06/17.</b></p> <p>EK advised that he had asked for this to be put on agenda as he thought, due to the current strategic areas being progressed we may need to expand the committee with more of our governors or co-opted external members. GvdL believed that as matters were progressing so rapidly it may not be possible but there may be times when more HE experience would be necessary. CW agreed and suggested that Professor Robinson or Dr Selby could be included. GvdL felt that the Committee should not become too large and IB agreed and believed that the current numbers were correct.</p> <p><b><i>It was agreed that the Committee establishment would remain as now but Professor Robinson and Dr Selby would be contacted on relevant issues.</i></b></p>		
7.	<p><b>Any Other Business.</b></p> <p><b>7.1. Teaching Excellence Framework (TEF)</b></p> <p>RM advised that the results of the TEF submissions will be announced tomorrow and we have been awarded Gold Standard, the top grade. It was agreed that this is an outstanding result. CW stated that this was another example of our unique situation of working on a single level that shows outstanding results. EK wanted all those involved thanked for this excellent result.</p> <p><b>7.2. Governor with financial Qualification.</b></p> <p>IB requested an update on our search for a governor with a financial qualification. The Clerk advised that we have found a person to fill the vacancy on our Audit Committee, thanks to IB, but the other leads we have had unfortunately have not led to finding a governor. GvdL advised that he was still waiting for a response from the Chair of UWE Audit Committee who he will be seeing later. CW also mentioned a potential candidate who he will be contacting.</p>		

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	<i><b>It was agreed that we will await the outcome of the above contacts and the modelling of future boards before a decision is made on process to find governors.</b></i>	Clerk	13/07/17
8.	<b>Dates of future meetings at 9.30am.</b>  Thursday 21 <sup>st</sup> September 2017  Thursday 11 <sup>th</sup> January 2018 Wednesday 25 <sup>th</sup> April 2018 Wednesday 3 <sup>rd</sup> October 2018		

**Mr Edward Keene**  
**Chair Search and Governance Committee**

**21<sup>st</sup> September 2017**