

GOVERNANCE AND SEARCH COMMITTEE

APPROVED DRAFT Minutes of the Meeting held on 22 May 2019 at 5.30pm

Room M316, All Saints' Building, Worcester

Present

Governors:

Neill Bucktin	Chair
David Ash	
Peter Heath	
Lucy Hodgson	
Stuart Laverick	Principal

In Attendance:

Sue Frost	Clerk to the Corporation
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14.1 Apologies

- i) Apologies were received from Tony Ciriello. Lucy Hodgson had been delayed but was expected.

14.2 Declarations of Interest

- i) Members were asked to declare any Interests, financial or otherwise, which they had in any Agenda Item and confirmed that they had none.

14.3 Minutes of the Last Meeting

- i) The Governance and Search Committee **APPROVED** the Minutes of the meeting held on 29 January 2019 as a true record for signature by the Chair.

14.4 Matters Arising

- i) The Governance and Search Committee reviewed the report and the notes. Six matters were either completed or formed part of later Agenda Items and one carried forward. Members confirmed that they had read the Governance Guide as part of the papers. At 13.11 iii): Governance and Search Committee Cycle of Business. The Principal and Clerk to the Corporation had discussed the timing of Governance Self Assessment and Improvement Planning and, with the agreement of the Chair, Governors would be issued with a questionnaire over the summer for completion and discussion at the reinstated Workshop on 10 September 2019.

CC

- ii) The Governance and Search Committee **MONITORED** action taken and remaining to be taken in respect of Matters Arising from the Minutes of previous meetings.

Lucy Hodgson joined the meeting at this point.

14.5 Determination of Any Other Urgent Business

- i) There was no other urgent business.

14.6 Corporation and Committee Membership

- i) The Governance and Search Committee **NOTED** that there had been no changes to Membership since the last meeting and that unplanned and approaching planned vacancies would be discussed at the next meeting.

14.7 Governance Improvement Plan

- i) The Clerk to the Corporation presented the second monitoring report against the Governance Improvement Plan approved on 9 October 2018. Spring term milestones were largely achieved, including approval of the Accommodation Strategy by the Corporation and continued use of target setting KPIs as a Value Added measure. Positive engagement with Weston College and with the Governance Development Programme had continued. One area remained unachieved and would need to be carried forwards to 2019/20:

- Area for Improvement 1, "The profile of Governors includes a reasonable balance with regard to race, gender, age and disability".

Although the milestone tasks were achieved the Governance and Search Committee had noted that the diversity profile of the Corporation had worsened in 2018/19 and there was no scope to change this before the year end as no vacancies had arisen.

- ii) The Governance and Search Committee **MONITORED** progress against the Governance Improvement Plan Milestones for 2018/19 and **AGREED** that Corporation Members should seek to identify suitable diverse candidates who could be interviewed for co-opted committee or future Corporation vacancies.

Members

14.8 Standing Orders

- i) The papers included extracts from Standing Orders where change had occurred and a full copy with changes highlighted was available in the Supporting Papers. Members discussed the potential changes and agreed those relating to

- **18.3: Establishment of Committees** – Membership number changed to refer to Terms of Reference rather than specific numbers as these now varied.
- **19.1: Appointment of Senior Post Holders** – Titles changed to reflect current determination.
- **26.1: Whistleblowing** – Changes to wording to reflect the revised draft procedure.
- **32.1: Governor Communication** – Clarification of protocols for email address use proposed by Governance Planning Meeting and reviewed by the College Data Protection Officer.

- ii) The Governance and Search Committee **AGREED TO RECOMMEND** changes to the Standing Orders for the Corporation and its Committees to the Corporation meeting on 11 June 2019 and **NOTED** that changes to the Governor Communication protocol would also necessitate minor changes being made to the General Data Protection Regulations Privacy Notices for Governor Recruitment and Governors.

CC

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14.9 Department for Education (DfE) Governance Guide - Follow Up

Members were reminded that these items were prompted by the Governance and Search Committee's review of the Department for Education's Governance Guide issued on 20 November 2018.

- i) **UK Corporate Governance Code**

The papers included the Clerk to the Corporation's assessment of compliance against the "Provisions" detailed in the UK Corporate Governance Code

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(UKCGC). Some provisions were marked N/R – Not relevant – as they referred to company practices. Blue highlighted sections needed to be assessed against the Annual Report wording, when available.

CC/DF

Members discussed the yellow highlighted sections indicating areas of non or partial compliance, considering whether these should be assessed as not relevant or whether changes should be made to accommodate them. Members agreed the following treatment:

- 12. Assessing Chair's Performance: The Vice Chair does not currently meet with non-Exec Governors to discuss the Chair's performance. Specific action N/R – a company would have a paid Executive Chair, all Governors are volunteers.
- 13. Private Sessions: The Chair does not currently hold Corporation meetings without the Principal and Management being present. This was a later Agenda Item.
- 14. Published Role Descriptions. Written Principal, Chair and Vice Chair role descriptions exist but are not made publicly available. Agreed – role descriptions should be placed on the internet.
- 14. Committee Meeting Reporting. The Annual Report does not include information about the number of or attendance at Committee meetings. N/R - Members considered the Annual Report table and agreed that it was appropriate to continue to follow the outline provided in the Casterbridge College model, which did not currently include committee attendance. Members were volunteers and raw attendance data did not always reflect the time they spent engaged in the College and did not assess their contribution. Such publication could also adversely affect recruitment.
- 21. Assessing Governor Performance: There is currently no formal assessment of the performance of the Chair. There is an annual conversation between the Chair and individual Governors although this is informal. Agreed - Members would be asked to assess the Chair's performance in 2019/20 and triennially and this would complement the current two way one to one dialogue sessions and Corporation self assessment.
- 24. Audit Committee Independent Non-exec Membership. Audit Committee membership includes a Staff Governor in the membership of up to seven with a quorum of any three. Add reference to the correspondence with the Education and Skills Funding Agency and the justification for this decision.
- 25. External Audit Remuneration and Terms approved by Audit Committee: Under the Terms of Reference the remuneration of the external auditor is recommended to the Corporation and Letters of Engagement are also approved by Corporation. N/R – Members considered this to be better practice.
- 33. Remuneration Committee Determining Senior Post Holder Remuneration: Under the Terms of Reference Remuneration Committee makes a recommendation to the Corporation for approval. The Clerk to the Corporation reported that in a recent poll on the FE Clerks Network only five of 48 responders had delegated authority to Remuneration Committee. N/R – Members considered this to be better practice.

The Governance and Search Committee **CONSIDERED** the extent of College compliance with the UK Corporate Governance Code, **RECOMMENDED** some changes to current practice and changes to some explanations and **NOTED** that the revised schedule would also be considered by the Audit Committee.

CC

ii) **Governor Role Descriptions**

The Clerk to the Corporation explained that the Safeguarding Governor Role description had been revised to reflect the wording in “Keeping Children Safe in Education (September 2018)” and by reference to other examples from the Clerks Network. It had been reviewed by the Executive, by the Vice Principal Information Systems and Student Experience and by the Safeguarding Governor Champion.

The Governance and Search Committee:

- **REVIEWED** and **AGREED TO RECOMMEND** the revised role description for the Safeguarding Governor Champion to the Corporation meeting on 11 June 2019 for approval, **NOTING** that there were some points in foot notes that should be addressed in the next Safeguarding Policy review. **CC**
VPISSSE
- **NOTED** that revised Role Descriptions for the Chair and Vice Chair were in development **CC**

14.10 **FE Commissioner Letter**

i) The Further Education Commissioner (FEC) issued a new Letter to Chairs on 7 May 2019: to update you on the recent activities of the FE Commissioner team, identify some key learning points from our work and explain our role within the Department for Education’s recently published “College Oversight: Support and Intervention Policy”. The letter included ten observations, which the Governance and Search Committee were asked to consider how best to respond to. The Clerk to the Corporation explained that the status of the FEC to make demands was unclear as he appeared to have no legal power to do so - and Corporations are independent entities with a wealth of other guidance sources - but it would not be wise to ignore them given the FEC’s importance and experience. There had been much traffic on the Clerks Network in respect of these points, particularly the requirements in 3 and 10 and the recommendation in 5.

ii) The Governance and Search Committee considered the recommendations, commenting as follows:

- 1. Colleges need to understand and accept their financial vulnerabilities as early as possible, and ask the ESFA local teams or ourselves for support. Diagnostic assessments can help.
Agreed. Clear financial reporting information provided to Governors.
- 2. The balance between improving quality and sustaining finances is very challenging, but never compromise quality simply in order to survive “independently”.
Agreed.
- 3. Boards of governors **MUST** include two financially qualified members, who are able to offer support and challenge to the Principal/CEO and FD. Partially agreed. The Governance and Search Committee would consider this in recruitment but would seek the best applicants. The Clerk to the Corporation would check which members were “financially qualified”, although it was not clear whether this meant formal qualifications rather than experience. **CC**
- 4. Monthly management accounts with a comprehensive commentary and 24 month cash flow forecast should be sent to all governors.
Agreed. Monthly Finance Reports were placed on the Governor Portal and an email alert should be sent in future. **CC/DF/**
DG

Action

- 5. In our experience every college requires a finance committee or similar to focus on these issues. Full board meetings alone are insufficient.
The Clerk to the Corporation reported that Frances Wadsworth had stated at a conference that a Finance Committee provided the opportunity to deep dive into aspects of finances that the limited time in a Corporation meeting did not allow.
Not agreed, although a Finance Committee would be established should the College find itself in need of additional scrutiny. In similar fashion, the Quality Group had a more formal existence whilst the College was Ofsted Grade 3.
- 6. Every college should have a property strategy and up to date space utilisation survey.
Partially agreed. The College had an Accommodation Strategy but the Principal stated that space utilisation should be surveyed regularly but not frequently as it was of limited value given the range of courses and the geographical dispersion of the College.
- 7. Colleges should not sell assets simply to avoid insolvency and remain “independent”.
Agreed.
- 8. Learn from other colleges; partnering and sharing with other non-local colleges is frequently the best source of improvement.
Agreed. The Blended Learning Consortium and the links to Weston College provided evidence of this.
- 9. Budget prudently and avoid over optimistic forecasting of learner numbers etc. Growth should be a bonus not a naïve aspiration.
Agreed. Governors had raised failure to meet previous student number targets as part of budgeting discussions in the past. Forecasting was now more accurate and Governors would consider to view this critically.
- 10. Ensure that your Chair, Principal/CEO and FD attend the relevant Said Business School/ETF leadership programmes. Feedback from these programmes is overwhelmingly positive.
Not agreed. The College had a process in place to identify individual development needs. Senior staff and the Chair should be free to take up training that they felt to be appropriate, not be required to attend particular courses, although the stated options should be considered.

iii) The letter referred to the published guidance released on 1 April 2019, “College Oversight: Support and Intervention” which was in the Supporting Papers. The summary states: “The purpose of the college oversight regime is to improve financial resilience and quality by incentivising and supporting college leaders to recognise issues and take early action, well before colleges get into serious difficulty. In cases where intervention is needed, this document aims to set out clear and proportionate intervention arrangements, which protect provision and current learners in the event of college failure. The college oversight regime comprises support and intervention, from prevention through to early and formal intervention and, if necessary, restructure or the exit of a provider from the market.

iv) The Governance and Search Committee:

- **RECEIVED** the Further Education Commissioner’s letter to Chairs and Principals of Further Education and Sixth Form College Corporations
- **CONSIDERED** how to respond to the list of observations and **AGREED** initial responses **CC**

- **RECEIVED** "College Oversight: Support and Intervention" and **NOTED** that all Governors and senior leaders are encouraged to read it

14.11 Corporation Private Sessions

- i) The papers included the Effective Board Briefing "The Ins and Outs of Private Sessions" which recommended that non-executives meet by themselves from time to time without the executives present "because the non-executive directors are holding the executives to account and they can do that better if they have a little space for a frank exchange of views amongst themselves without having to think about how the executives will react". Such meetings should be routine, before main board meetings, brief, focused, noted with the gist of discussions communicated later to the CEO by the Chair. Executives should "embrace the practice as a sign that the Chair and NEDs are doing their job well, making sure governance and "holding to account" is operating as it should."
- ii) The Clerk to the Corporation stated that Audit Committee Agendas scheduled time with just Governor Members and time with Governor Members and auditors without the Principal or management being present at each termly meeting which seemed to work well. The Principal felt that such sessions, if adopted, should not be purely in order to focus on negative matters.
- iii) The Governance and Search Committee **NOTED** the Effective Board Briefing "The Ins and Outs of Private Sessions" and **AGREED TO RECOMMEND** adding private session time to some Corporation meetings to the Corporation meeting on 11 June 2019 for approval.

14.12 Governor Insight Scheme

- i) The Clerk to the Corporation reported that twelve different Governors were involved across twelve events with seventeen Governor attendances in total, including the Principal. There was no attendance at one event due to a lack of availability. Three detailed feedback forms were received and none of the forms received identified any further action to be taken.
- ii) The Governance and Search Committee **RECEIVED** a summary of Governor Insight Scheme activity for the Spring Term 2019 and **NOTED** that a further form should be added to the data.

14.13 Any Other Urgent Business

- i) There was no other urgent business.

14.14 Meeting Reflection

- i) The Governance and Search Committee **REVIEWED** the meeting and commented that the discussions had been valuable.

14.15 Date and Time of Next Meeting

- i) Tuesday 22 October 2019, 5.30pm, Executive Office, Osprey House, Redditch

The meeting closed at 6.15pm.

Signed:

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Date:

Sue Frost
Clerk to the Corporation
3 June 2019

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