

Preston's College

**Redacted¹ Minutes of the Search and Governance Committee Meeting held on 14 November 2019
at 5.30pm at Preston's College**

Present:

Mr J Taylor (Chair)
Dr E Smith (Principal and Chief Executive)
Mr E Bassa
Mr J Boydell
Ms J Jones

In attendance:

Mrs C Rayner Clerk to the Board

1. Welcome and Apologies

The Chair welcomed members to the meeting. It was noted that all members were present.

2. Declarations of Interest

Ms Jones declared an interest in agenda item 7, the consideration of her Induction Review. It was noted that Ms Jones would leave the meeting for this item.

3. Minutes of the Meeting held on 4 July 2019

The Committee agreed the minutes of the meeting held on 4 July 2019 as a correct record.

Resolved: The minutes of the previous meeting held on 7 February 2019 were agreed by the Committee as a correct record and signed by the Chair.

4. Matters arising

The Committee discussed and noted a report on progress on the actions from previous meetings.

a) Minute 4 Governors' Portal

The Clerk reported that she was working on the Committee's suggestions for the Governors' Portal. She reported that sharing governors' personal details required approval of individual governors which would be requested in due course.

5. Board Skills and Experience Audit

The Committee considered the collated Board Skills and Experience Audit report (the audit report) which had been completed by 16 out of 18 governors to date.

The Clerk referred to:

¹ Please note that any matters which the Corporation is satisfied should be dealt with on a confidential basis have been removed from these minutes.

- the top ten highest and lowest average scores by topic;
- how the audit report would be used to identify strengths, shape succession planning and inform training plans and Board and committee forward work programmes;
- the audit report responses indicated it might be helpful to appoint a new governor with: experience of governance best practice; audit experience/background; experience of curriculum development in HE or FE or experience of working in the HE or FE sector;
- the development of a role portrait for a governor at Preston's College for use when advertising and recruiting a new governor;
- successful boards were made up of members from different backgrounds with differing skills and knowledge. However, all governors needed to have a good understanding of some topics such as safeguarding and insolvency.

The Chief Executive and Principal referred to:

- the importance of the Board gaining understanding of Office for Students (OfS) funding mechanisms and governance compliance;
- an invitation to attend a finance session ahead on 11 March 2020. The session would be arranged following a suggestion from the Audit Committee.

During discussion the Committee discussed the importance of developing governors' understanding of the student experience at the College. It was noted that:

- two student governors had recently been appointed to the Board and would attend the next meeting of the Quality and Standards Committee. A staff governor had volunteered to support the student governors in their role;
- a Governors' Question Time event would be held with students and governors on 4 December 2019.

The Committee discussed the importance of governors having understanding and insight into the challenges of teaching and non-teaching staff at the College when dealing with students, particularly in relation to mental health and wellbeing. The Chief Executive and Principal provided a brief overview of some recent challenges.

The Committee agreed it was important to share information, at the appropriate level, into the challenges the College faced in focussing on its role as an education provider, Member agreed it would also help governors to fulfil their role as external ambassadors and advocates for the College.

The Committee:

- **Noted the collated report of the Board Skills and Experience Audit.**
- **Noted the actions the Clerk would implement as a result of the audit, particularly in the development of induction and training opportunities for governors in a variety of mediums.**

Actions:

- **Further information to be provided to governors on the challenges faced by staff due to a more diverse student body and safeguarding issues.**
- **The Skills and Experience Audit Report to be further analysed to identify Board strengths.**

6. Training and Development

The Clerk presented a report on governor training and development to date and the draft governor training and development programme which had been informed by the outcomes of the Skills and Experience Audit and Board.

The Clerk highlighted that the topic for the Board's Strategic Planning meeting on 30 January 2020 was to be confirmed and would be considered by the Board at its meeting in December. The Committee suggested topics could be:

- impact of Brexit on FE colleges;
- management of reputational risks;
- challenges faced by staff due a more diverse student body.

Resolved: The Committee noted the report the governor training and development plan 2019/20.

Action: To forward suggested topics to the Board for its Strategic Planning meeting on 30 January 2020.

7. Board and Committee Membership

a) Board and Committee Membership and Terms of Office

The Clerk presented a report on the Corporation Board membership, Terms of Office and Committee membership as of November 2019.

b) Induction Reviews

The Committee considered Induction Review reports for Ms Williams, Ms Jones and Mrs Mason. It was noted that the reports included information on Board and Committee attendance, training and other contributions of governors during their first year on the Board. It was noted that the Committee had a remit to consider the contribution of members after a year and then make a recommendation to the Board on whether members should continue to serve as governors.

i) Ms Williams

Following discussion, the Committee agreed that Ms Williams should be recommended to the Board to complete her term following a successful induction year.

ii) Ms Jones

Following discussion, the Committee agreed that Ms Jones should be recommended to the Board complete her term following a successful induction year.

(Ms Jones left the meeting for the Committee's consideration of her review.)

iii) Mrs Mason

Following discussion, the Committee agreed that Mrs Mason should be recommended to the Board complete her term following a successful induction year.

The Clerk reported that Mrs Mason would not be able to attend Board or committee meetings until September 2019 and outlined the reason. Following discussion, it was suggested that the Board should be asked to approve a break in service (sabbatical) for Mrs Mason until September 2020.

c) Board and Committee attendance for 2018 – 19

The Committee considered Board and Committee attendance for 2018/19. The Committee noted the reasons some governors had been absent from meetings. Following discussion, it was agreed that the Clerk should pursue attendance issues as required, prior to consideration by the Board.

d) Succession Planning

The Clerk reported that Mr Wilson's terms of office would end in December 2019. She outlined the proposed timetable for recruitment, making reference to:

- interviews could be held at the next meeting of the Search and Governance Committee in February 2020, subject to prospective governors expressing interest in December 2019 and January 2020;
- if a candidate was identified the Board would be asked to approve the appointment in writing to enable the new governor to attend the Board meeting in March 2020;
- it was noted that, as timescales were tight, if a suitable candidate was not identified the recruitment period would be extended;
- as Mr Wilson served on the Audit Committee, the Audit Committee had requested that an additional member be appointed to the Audit Committee, ideally with a risk background.

During discussion the Committee noted the suggestions for publicising the governor vacancy and also suggested advertising the vacancy on LinkedIn and the Chamber of Commerce. A possible governor was suggested. Members also suggested the possibility of a co-option to the Audit Committee should be explored. It was also suggested that co-options could be considered for other areas which a skills/experience gap had been identified, such as governors with an FE/educational background for the Quality and Standards Committee/ HE Sub-Committee.

Resolved: The Committee:

- **noted the current Board membership and Term of Office and Committee membership;**
- **agreed that the continued service of Ms Jones, Ms Williams and Mrs Mason should be recommended to the Board after successful induction years;**
- **reviewed Board and Committee attendance for 2018 – 19;**
- **reviewed and approved the proposed succession planning activities and timetable.**

Actions:

- **To further explore the possibility of co-options to the Audit Committee and other committees to address skills/knowledge gaps;**
- **The Clerk to pursue attendance actions as required.**

8. Evaluation Report: Search and Governance Effectiveness Review

The Clerk referred to the collated report of the Search and Governance Effectiveness Review. Members noted that due to potential conflicts of interests the Chief Executive and Principal did not complete the Board or Committee effectiveness surveys but would contribute to the discussion and all other members had completed the review.

The Committee discussed the collated report and agreed that improving the diversity of the Committee was important. The Committee noted recent changes made to the process for considering re-appointments to the Board/Induction Reviews.

Following discussion, the Committee noted the collated Search and Governance Effectiveness Review.

Resolved: The Committee noted the collated Search and Governance Effectiveness Review.

9. Compliance with the AoC Code of Good Governance

a) Compliance with the AoC Code of Good Governance

The Clerk referred to the Board's delegation to the Search and Governance Committee of an initial review of the College's compliance with the AoC Code of Good Governance (the Code). She referred to a draft report designed to assess the College's compliance with the Code. She explained that evidence of the College's compliance with the Code had been provided in this report for some of the 'detailed considerations' to illustrate how the document could be completed. It was noted that the report was a work in progress and would require further input from governors, ELT and the Clerk to complete.

The Clerk proposed that:

- a working group meeting was set up with governors/ELT and the Clerk to complete the document and propose RAG ratings for each 'detailed consideration' where appropriate; it was noted that some detailed considerations related to the Board role and would need to be considered by the Board;
- a governance action plan would be developed based on the completed assessment, for proposal to the Board, with key governance objectives for 2019/20. The objectives could be integrated into the Five Year Plan, with milestones for completion.

The Committee discussed the draft report and agreed it provided a useful starting point. The Committee agreed the proposal to set up a working group and requested that ELT review the appropriate 'detailed considerations' ahead of the working group meeting as this would enable the working group to focus on considering appropriate RAG ratings. The Committee noted that the completed report would be considered by the Board.

The Clerk referred to the RSM report 'Trust in the Boardroom' which had been distributed at the meeting. The Clerk explained that the Audit Committee had asked for the report to be shared with all governors. It was noted that the format of the report could be useful as the Committee/Board agreed governance priorities and development of an action plan.

b) Due regard to the UK Corporate Governance Code

The Clerk reported that whilst the Board had adopted the AoC Code of Good Governance, it also had due regard for the UK Corporate Governance Code, insofar as it is applicable to the further education sector. She reported that the Financial Reporting Council (FRC) had published the UK Corporate Governance Code 2018, which came into effect in January 2019. She referred members to her report which outlined the key changes in the new code. In particular, she referred to the publication of the FRC's Guidance on Board Effectiveness which included useful questions which board and committees could ask management. Members noted that a copy was available on the Governors' Portal.

Resolved: The Committee:

- **noted progress to date in the assessment against the AoC Code of Good Governance for English Colleges;**
- **noted the update on the UK Corporate Governance Code 2018.**

Action: The Clerk to arrange a working group meeting of ELT, the Clerk and governors, following ELT's review of the College's Compliance with the Code.

10. Senior Post Holder Remuneration Code

The Clerk referred to the AoC Senior Post Holder Remuneration Code (SPH Code) and AoC Explanatory Notes and Guidance. The Clerk and Chief Executive and Principal outlined the background related to the publication of the Senior Post Holder Remuneration Code (SPH Code). The Committee noted that the SPHs at the College were: Dr Smith, the Chief Executive and Principal, Mr Nixon, Executive Director Resources, and Mrs Rayner, the Clerk to the Board.

The Committee noted that the SPH Code had been developed by the AoC:

- as a best practice code to help governing boards meet and exceed basic governance requirement; demonstrating that the sector has robust arrangements to govern and manage its own affairs;
- to support colleges in meeting the requirements for registration with OfS, Education and Skills Funding Agency (ESFA) reporting requirements and to ensure efficient and consistent practice across education sectors;
- in light of considerable political debate and media coverage; particularly around Vice Chancellor's pay.

The Clerk outlined the changes required for the Corporation in order to adopt the SPH Remuneration Code including:

- develop SPH policies on retention of any income;
- publication of an annual remuneration statement with the Report and financial statements;
- the necessity to establish a separate Remuneration Committee. Notwithstanding, it was noted that Part 2 of the Resources Committee, which currently considered SPH Remuneration, operated under good governance best practice.

During discussion with the Clerk and the Chief Executive and Principal, members noted:

- throughout the SPH Code the word 'must' identifies the AoC Governors' Council view of the minimum requirements for an institution wishing to comply with it. However, governing bodies were free to meet 'must' statements by the means and mechanisms appropriate to their own context. The use of the word 'should' identifies good or enhanced governance practice which institutions were encouraged to adopt. The Committee and Board would therefore need to agree the College's position on the statements in the SPH Code;
- as the College was registered with OfS it must adopt the CUC (Committee of University Chairs) Higher Education Senior Staff Remuneration Code or the AoC Senior Post Holder Remuneration Code with an explanation as prescribed by the OfS Higher Education Regulatory Framework.

The Committee agreed to advise the Board to adopt the Remuneration Code. The Committee noted that, subject to Board approval, draft policies and statements would be developed for consideration by the Search and Governance Committee at its next meeting. It was noted that feedback would be requested from the Committee as draft policies and statements were developed. Ms Jones recorded her apologies for the next Search and Governance meeting and undertook to feedback comments via email.

Resolved: The Committee:

- **noted the publication of the Colleges' Senior Post Holder Remuneration Code by the Association of Colleges;**

- agreed to advise the Board to adopt the Remuneration Code.

Action: Subject to Board approval, the Clerk to pursue the development of draft policies and statements and an action plan for a Board/committee review of the statements detailed in the SPH Code.

11. Investigation Report Bournville College

The Committee considered:

- a report on the investigation into Bournville College and the recommendations made by the Education and Skills Funding Agency (ESFA);
- correspondence from Eileen Milner, ESFA Chief Executive, dated July 2019, to all Chairs of Governors and Sixth Form Colleges to ask Chairs to review ESFA's recommendations with fellow governors.

During discussion the Committee noted:

- the Audit Committee had also reviewed the report at their last meeting;
- the College's process for approving SPH/ ELT/ senior management expenses;
- existence of the College's Whistleblowing Policy and Procedure which was approved by the Resources Committee;
- partnership arrangements in place at the College;
- improvements made to the College's subcontracting processes;
- existence of Register of Interests for governors and senior staff which would include information of any related employees;
- as part of ongoing governance improvements the Clerk would draft a schedule of delegation and an expanded Code of Conduct for governors in early 2020. This document would provide additional assurance to the Committee and Board. The schedule of delegation would bring together all information on delegated authorities into one reference document.

Resolved: The Committee noted the Investigation Report Bournville College.

12. Forward Work Programme

The Clerk referred to the revised Search and Governance Forward Work Programme 2019-20.

Resolved: The Committee noted the updated Search and Governance Forward Work Programme 2019-20.

13. Date of the next meeting

It was noted that the next meeting of the Search and Governance Committee would take place on 6 February 2020. Ms Jones recorded her apologies for this meeting.

The meeting closed at 7.20 pm.