

GOVERNANCE & SEARCH COMMITTEE



THURSDAY 23 FEBRUARY 2012

GATESHEAD COLLEGE

Report: Minutes of the meeting held on Thursday 29
September 2011

Author: Clerk to the Corporation

Action: Approve

Status: Open

Present: Allan Steele (Chair)
Alan Reynolds
Richard Thorold

In attendance: Jackie Doxford
Gwyneth Jones

G/S446 Welcome/Apologies

Allan Steele welcomed everyone to the meeting. Apologies for absence were received from Bob Bell, Catherine Donovan and Robin Mackie.

The Chair invited members to declare any interests on any item on the agenda. No interests were declared at this stage in the meeting; however, members noted that should the direction of debate on any item result in a potential conflict of interest this should be indicated during the meeting.

G/S447 Minutes of the meeting held on Thursday 12 May 2011

The minutes of the meeting held on Thursday 12 May 2011 were accepted as a correct record.

G/S448 Matters Arising

G/S436 - Board Skills Audit – All Governors have now returned their forms for 2010/2011, with the exception of Joshua Bale, whose term as 16-18 Student Governor for 2010/2011 has ended.

G/S437 - Student Governors - Student Governors have been elected for the 2011/2012 session. Members were pleased to note that Mark Taylor has been elected for his third term as 19+ Student Governor

G/S439 – Internal Audit Report on Corporate Governance -The report and the College's responses to the recommendations were considered by Audit Committee on 8 June 2011. Copies of the report will be given to all Board members for discussion as part of the Board's self review process at the Board Development Event on 13 October 2011.

G/S449 Review of Terms of Reference of Board Committees

The Board reviews the terms of reference of each of its committees annually and relies upon the advice of Governance and Search Committee in conducting that review. The Clerk introduced a report which requested that the Committee should

Agenda No: 2

consider the composition and terms of reference for each committee and whether they continue to be appropriate to ensure best practice in the expedition of the Board's business and to advise the Board on any changes required. Copies of the terms of reference for each committee, which indicated text to be removed and text to be added, were appended to the report. No changes were proposed to the terms of reference for Academic Standards Committee, Finance and General Purposes Committee, Governance and Search Committee or Remuneration Committee.

A minor modification is required to the terms of reference for the Audit Committee to remove the reference to Accommodation Committee, which no longer exists. The report drew that Committee's attention to the possibility of the need for a further amendment to include *'members who serve as Directors of College Subsidiary Companies will be ineligible for appointment to the Audit Committee'*. The possible inclusion of the reference to Directors of College Subsidiary Companies follows the publication of the SFA Guidance Document 'Consent for Further Education Colleges to invest in Companies' published in June 2011. The guidance states in Section 17(c) 'to maintain a degree of independence in audit matters, members of the college audit committee should not sit on the company board'.

Governance and Search Committee noted that neither the Instrument and Articles of Government nor the Joint Audit Code of Practice guidance on audit committees included similar references and that members of Audit Committee had been appointed as Directors of the Gateshead College Foundation and of a new subsidiary company before the SFA document was published. The Committee formed the view that advice should be sought from SFA as to whether the guidance is to be regarded as 'guidance' or whether it is 'mandatory' before any further changes are made to the terms of reference of Audit Committee or to the appointment of Directors to subsidiary companies.

RESOLVED

- i) to note the contents of the report**
- ii) to recommend to the Board that the terms of reference of Academic Standards Committee, Finance and General Purposes Committee, Governance and Search Committee and Remuneration Committee should remain unchanged**
- iii) to recommend to the Board that the changes proposed to the terms of reference of Audit Committee should be approved**
- iv) to request the Clerk to seek clarification from SFA regarding the status of the guidance on subsidiary companies**

G/S450 Review of Code of Conduct

The Clerk introduced a report which advised the Committee that the Code of Conduct was last revised in October 2010. The Code is based on a model document prepared by Eversheds, the College's Legal Advisers, which is reviewed on a regular basis in order to ensure that it complies with the Instrument and Articles of Government and is in harmony with current best practice in governance. Advice from Eversheds is that the model of the Code of Conduct will be reviewed and revised later in the year. No changes are therefore proposed to the Board's Code of Conduct until further guidance is received from Eversheds.

RESOLVED

- i) to note the contents of the report**
- ii) to recommend to the Board that the current Code of Conduct (October 2010) should be readopted**

Agenda No: 2

G/S451 Review of Standing Orders and Board Complaints Procedure

The Clerk introduced a report which advised the Committee that the Board is committed to the regular review of its Standing Orders to ensure that they are 'fit for purpose' and places reliance upon the advice of Governance and Search Committee in conducting the review. The last review was undertaken in October 2010, when substantial changes were made. Members noted that proposals to introduce paperless meetings of the Board and Committees will require some changes to be made to Standing Orders. However, it is not proposed to make any amendments until such time as the implications of the changes in *modus operandi* are known.

RESOLVED

- i) to note the contents of the report**
- ii) to recommend to the Board that the current (October 2010) version of Standing Orders and Board Complaints Procedure should be readopted**

G/S452 Register of Interests

The Clerk introduced a report which advised the Committee on changes in the Register of Interests. In addition to the Register of Members' Interests the Clerk maintains a Register of Interests of key staff of the College. The entries on both registers are reviewed regularly by Governance and Search Committee on behalf of the Board. The Clerk reported that two Board Members are involved in the motor vehicle industry and had declared an interest at all meetings when the acquisition of the Test Track had been considered. The Committee was satisfied that there were no entries on either register which were a cause for concern.

RESOLVED to note the contents of the report

G/S453 Board and Committee Attendance 2010/2011

The Clerk introduced a report which provided information on the levels of attendance at Board and Committee meetings during the academic year 2010/2011. The Corporation has a target of 70% attendance for both individual members and overall. Considering individual attendance, the Committee noted that during 2010/2011 six members failed to achieve 50% attendance, eleven members achieved the target of 70% or better and within that group three members achieved 100% and two members achieved more than 90% attendance; this included attendance at committees which represents a considerable commitment.

Considering attendance at Board meetings it was noted that five members achieved 100% attendance at Board meetings and a further five achieved 70% or better, 70% being the target set by the Board. One member achieved 50% and seven members were below the 50% level. The May meeting achieved 41% attendance which is only 1% above the minimum level of attendance required by the Instrument and Articles of Governance. However, four members were absent because they were representing the College at the launch of the *Entrepreneurial College* at DBIS. The October and December meetings achieved 71% attendance, but attendance levels at all other meetings were below the target of 70% set by the Board. The Committee was concerned to note that the level of attendance at Board meetings had fallen to 63% for the year, the lowest recorded in a decade and a sharp decline from 72% in 2009/2010. The Corporation had originally set a target of 80% for both individual members and overall attendance but this had proved difficult to meet so the target had been lowered to 70%.

Agenda No: 2

The average overall individual attendance at Board and Committee meetings, calculated by dividing the total actual attendances at all Board and Committee meetings by the total possible attendances was 71%. With an average of 73% Finance and General Purposes Committee has fallen back from its position of 74% in 2009/2010 and failed to reach a quorum on one occasion. Audit Committee achieved 89% which is an improvement from 75% in the previous year. Governance and Search Committee achieved 78% which is a fall from 83% in 2009/2010. Academic Standards Committee attendance has fallen for the third year in succession from 92% in 2007/2008 to 78% in 2010/2011.

The Principal raised the use of video conferencing at meetings and indicated that equipment was to be trialled in College in October. He suggested that consideration of the use of video conferencing for meetings should be taken forward for discussion at the next Board Meeting on Thursday 13 October 2011. The Instrument and Articles of Government allow video conferencing of meetings provided that everyone 'present' can see each other.

The considered view of the Committee was that the poor levels of attendance at Board meetings would be of greater concern if the Board was failing in its duties. The Principal commented that the College was still able to perform its statutory functions and the Board was able to monitor finances. He added the Audit Committee Meetings were always well attended with 89% overall attendance and that only one Finance and General Purposes Committee meeting out of ten had been inquorate. The Chair commented that the key issue is the overall contribution of members to the effectiveness of the Board. One of the consequences of having high profile, busy people as Governors is that they may not be able to attend every scheduled meeting.

In terms of monitoring the overall attendance of Board and Committee meetings, a member suggested that half-yearly monitoring of attendance, at the end of February 2012, would be appropriate.

RESOLVED

- i) to note the contents of the report**
- ii) to recommend to the Board that the report on Board and Committee Attendance 2010/2011 should be given careful consideration**

G/S454 Committee Membership

Governance and Search Committee provides advice to the Board on the membership of the Board's Committee and reviews this on a regular basis. The Clerk introduced a report to which was appended a copy of the table of Committee membership. The Committee reviewed the table in the context of the spread of expertise and experience of members and the distribution of the Board's workload across the membership.

The College currently has four subsidiary companies each of which have representatives of the Board of the Governors on the Board of Directors. Recently published guidance from the Skills Funding Agency indicates that members of College Audit Committees should not also be Directors of College Companies. There is no reference to this in either the Instrument and Articles of Government or the JACOP guidance on Audit Committees. This guidance has implications on the membership of Audit Committee of Chris Macklin, Susan Bickerton and Allan Steele and advice will be sought from SFA on its status.

Agenda No: 2

The Clerk indicated that Catherine Donovan would not be continuing her membership of the Board and this would create a vacancy on Governance and Search Committee. Members noted that there had been no responses to the Clerk's annual letter inviting members to express their wishes with regard to obtaining wider experience of the Board's work by serving on different Committees.

RESOLVED

- i) to note the contents of the report**
- ii) to recommend that the Board confirms the membership and chairmanship of its Committees and gives consideration to filling any vacancies**

G/S455 Review of Calendar of Retirements and Board Succession Planning

The Clerk introduced a report which advised the Committee on current vacancies. There are currently two vacancies on the Board and the terms of office of several members of the Board are due to end during the 2011/2012 academic year. The full calendar of retirements was appended to the report in order to provide Governance and Search Committee with information on impending retirements.

The 2007 Instrument & Articles of Government incorporate changes in the composition of the Boards of FE Corporations which have removed some of the prescriptive 'boundaries' between categories of Governor. The categories of business, community, co-opted and local authority members are replaced in Clause 2(1)(a) by *'up to sixteen members who appear to the Corporation to have the necessary skills to ensure that the Corporation carries out its functions under article 3 of the Articles of Government'*.

The Board has determined the size of its membership at eighteen; this includes the Principal, two Staff Governors and two Student Governors, leaving thirteen places to be filled by Governors appointed under the 'necessary skills' umbrella.

Impending retirements

The terms of appointments of Catherine Donovan and John McElroy are due to end on 30 October 2011. Catherine Donovan joined the Board in October 2007 and is a member of Governance and Search Committee. John McElroy joined the Board in 2003 and is a member of Finance and General Purposes Committee. Catherine Donovan has indicated that her Cabinet portfolio within Gateshead Council has changed and that she does not wish to be considered for re-appointment to the Board.

The Committee noted that the 2007 revision of the Instrument and Articles of Government had removed the requirement for FE Corporations to include nominated representatives of local authorities. Members were of the view that it is beneficial to the College to retain a direct link with Gateshead Council and indicated that the Board should be advised to continue to include one Elected Member with a relevant Cabinet portfolio within the members appointed under the 'necessary skills' umbrella. The Committee considered the contribution made to the work of the Board and particularly to the operation of Finance and General Purposes Committee by John McElroy and the skills and experience which he brings to the Board membership as an Elected Member of Gateshead Council who has held a range of Cabinet portfolios and had no hesitation in recommending his re-appointment to the Board for a term of two years.

Agenda No: 2

Board Vacancies

It was noted that following the resignations of Jo Ray and David Chesser and the retirement of Catherine Donovan there are three vacancies on the Board for Governors to be appointed under the provisions of Clause 2(1)(a) of the Instrument and Articles of Government 2007. The Principal commented that there was a need to seek to appoint more female Board members as women are seriously underrepresented in the membership. He suggested that the search should be targeted at the sport, creative and cultural industries.

RESOLVED

- i) to note the contents of the report**
- ii) to note the impending retirement of Catherine Donovan**
- iii) to recommend to the Board the re-appointment of John McElroy as a Governor for a term of two years ending 31 October 2013**
- iv) to advertise on the College website and in the local press for expressions of interest in becoming a Governor**

G/S456 Audit of Board and Committee Business 2010/2011

The Clerk introduced a report to which was appended an audit of the business of the Board and its Committees during the academic year 2010/2011. The audit, which provided brief details of the business conducted at each Board and Committee meeting during 2010/2011, will be in used in conjunction with information on topics expected to develop during the coming year to formulate the 'rolling agendas' for the Board and its Committees during 2011/2012.

RESOLVED

- i) to note the contents of the report**
- ii) to approve the submission of the Audit of Board and Committee Business 2010/2011 to the Board.**

G/S457 Governance Health Check

The Clerk gave a brief oral report on the Governance Health Check for 2010/2011. It was noted that Judith Doyle, Deputy Principal: Curriculum and Quality will be facilitating the Governance Health Check at the Development Event preceding the Board meeting on Thursday 13 October 2011. The questionnaire and the process for collecting responses will follow the successful format established in 2010. With the availability of two years' results it will be possible to produce a trend analysis for consideration by the Board at the December 2011 meeting.

RESOLVED to note the contents of the report

G/S458 Board Skills Matrix

The Clerk reported that, following the findings in the report of the internal audit review of Corporate Governance, the Board Skills Audit proforma introduced in 2010 has been revised and Governors will be requested to complete the new proforma at the Board Development Event on 13 October 2011. Members noted the auditors' concerns at the inconsistencies in completion of the 2010 proformas and the omission of evidence statements to support self assessment ratings on some documents. It is hoped that the revised proforma will facilitate the collection of detailed, accurate and pertinent information on the current skills range of the Board.

Agenda No: 2

RESOLVED to note the contents of the report

G/S459 Board Development

The Clerk gave a brief update on Board Development and Governor Induction. The first NUS Student Governor Support Programme Regional Induction Event had taken place at Gateshead College on Wednesday 21 September 2011. Darren Heathcote (Learner Services Manager) and the Clerk will be working through the programme with the two Student Governors; some of the training materials are expected to be useful for all Governors and not just for the Student Governors.

Members noted that Ben Wood of Eversheds will be providing an update on key issues for the Board at the Development Event on Thursday 13 October 2011.

RESOLVED to note the contents of the report

G/S460 Any Other Business

There was no other business.

G/S461 Date of next meeting

The next meeting will take place on Thursday 23 February 2012.