



# MEETING MINUTES

## MEETING

Search and Governance Committee

DATE: Monday 20 March 2017      TIME: 10:00 – 12:25 hours

VENUE: NCHSR, Faraday Wharf      CHAIRED BY: Alex Stephenson  
(Meeting Room 1)

MINUTE/ACTION      Martin McNeill  
TAKER:

## ATTENDEES

1. Alex Stephenson (AS)	2. Naomi Connell (NC)	3. Clair Mowbray (CM)
4. Sir Frank McLoughlin (FMcL)		

APOLOGIES: Jo Miller (JM), Colin Stewart (CS)

IN ATTENDANCE: Jackie Grubb (JG), Jo Matthews (JMs), Martin McNeill (MMcN)

TOPIC	WHO	WHEN
<p><b>Welcome and introductions</b></p> <p>AS, as incoming Chair of the Committee, explained that the Corporation was in the process of establishing a new governance structure. Over the next year, committees would play a dual role, scrutinising policy proposals (and, in due course, performance) and ensuring that governors acquired the skills and knowledge necessary for the Corporation to become fully effective over the next six to nine months. Over the current cycle of meetings, each committee would have a chance to review its terms of reference and make recommendations to the Board. In answer to a question, CM confirmed that all committees would have met by the time of the next board meeting (12 April).</p>		



<p><b>1. Minutes of the last meeting and matters arising</b></p> <p>The minutes of the meeting held on 13 December 2016 were confirmed as a true record.</p> <p>The Committee was pleased to note that AS had been appointed as Deputy Chair of the Corporation (Action 1) and that a second meeting of the Committee had been convened (Action 3).</p> <p>In relation to Action 2, CM said that, because of ill health, the original appointee had had to decline appointment to the role of Clerk, but a second candidate had been re-interviewed and an offer made. The new clerk had experience at two colleges in the East Midlands and was known to JMs. She was required to give one month's notice to her current employer, so it was hoped that she would be able to join the College in the second half of April.</p> <p>In relation to Action 4, the Committee was pleased to hear that the vacancy for a governor with financial skills and experience had been advertised across the Sheffield City Region.</p>		
<p><b>2. Terms of reference</b></p> <p>The Committee agreed to recommend to the Board that the 'Membership' section of the Terms of Reference be amended to provide as follows:</p> <ul style="list-style-type: none"><li>• The number of members should not be specified, but the membership should include the Deputy Chair of the Corporation, the Chairs of the Audit, Finance and Resources, Quality and Standards, and Remuneration Committees and the CEO.</li><li>• The Committee should be chaired by the Deputy Chair of the Corporation.</li><li>• The Committee should have the right to co-opt one additional voting member with appropriate experience, who need not be a member of the Corporation.</li><li>• The Corporation should have the power to appoint other members to the Committee if it sees fit.</li></ul> <p>The Committee also agreed to recommend to the Board that the 'Terms of Reference' section of the Terms of Reference be amended as follows:</p>		



<ul style="list-style-type: none"> <li>References to BIS should be to DfE,</li> <li>References to the Foundation Code of Governance should be the the Code of Good Governance for English Colleges.</li> <li>In reviewing the composition, membership and skills of the Corporation at each meeting, the Committee should maintain a log of skill shortages identified and the action being taken to fill them.</li> <li>The 'Reserve List' of individuals willing and able to act as College Governors should include names of individuals willing and able to serve as co-opted members of committees (governors recognised that this could be an effective means of recruitment).</li> <li>Compliance with the Code of Good Governance should be the subject of a detailed annual report prepared by the Clerk, but the Committee should report to each meeting of the Board on the main governance challenges facing the College, using the ten principal responsibilities set out in the Code as a framework (the Board had already been made aware of these).</li> </ul> <p>It was agreed that the absent Committee members (JM and CS) should have the opportunity to review the proposed amendments before they were submitted to the Board.</p> <p><b>Action: Draft amendments to sections 2 and 6 for approval by absent Committee members and subsequent consideration by the Board (ACT 05)</b></p> <p>Subject to Board approval of the revised Terms of Reference the Committee agreed to co-opt FMcL as an additional member of the Committee for the remainder of the College year.</p> <p>The Committee also agreed to recommend that:</p> <ul style="list-style-type: none"> <li>members appointed by the Corporation to any committee (unless ex officio) should be appointed for a two-year term and should serve for a maximum of two such terms; and</li> <li>the Chair of each committee should be appointed by the Board, on receipt of a recommendation from the committee concerned, for a two-year term and should serve for a maximum of two such terms.</li> </ul> <p><b>Action: Ensure that other committees' terms of reference are consistently worded (ACT 06)</b></p> <p>In answer to a question, JMs confirmed that a skills audit had been undertaken and the results analysed.</p> <p><b>Action: Send skills audit analysis to D McCaffery for circulation to Committee members (ACT 07)</b></p>	<p>JMs</p> <p>JMs</p> <p>JMs</p>	<p>31/03/17</p> <p>31/03/17</p> <p>31/03/17</p>
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<p>Reviewing the section of the Terms of Reference setting out the Committee’s responsibilities for governor appraisal, the Committee agreed that a proportionate approach was required. It should be an early task for the new Clerk to develop a coherent process, covering probationary reviews (which could be undertaken by the Search and Governance Chair and/or the Clerk) and regular performance reviews taking account of attendance and contribution. The latter might take place over a two-year cycle.</p> <p>Governors recognised that Ofsted was likely to take an interest in performance management arrangements for governors as well as for staff, so any system needed to be robust. Attendance was an important factor but a distinction needed to be made between governors who were simply unreliable in their attendance and those who were unable to commit to particular meetings because of other responsibilities. Even with a meeting cycle fixed 18 months in advance, not every governor would be able to attend every scheduled meeting.</p> <p>In discussion, it was agreed that the membership and composition of the Corporation needed to be considered, as well as its ways of working, as the College moved into an operational phase. Daytime meetings might no longer be appropriate. It was possible that some hard decisions would have to be taken.</p> <p><b>Action: Prepare draft performance appraisal scheme for governors (ACT 08)</b></p> <p><b>3. Membership report</b></p> <p>Introducing her report, JMs explained that her aim had been to identify the governance issues that needed to be addressed following the establishment of the Corporation. Her interviews with individual governors had revealed that there was still some confusion about the relationship between the structures and processes that had been in existence prior to incorporation in July 2015 and those that had been established since then by the Corporation.</p> <p>Governors recognised that, while the Corporation had agreed to ratify the decisions of the shadow board that it had replaced, that did not extend to decisions about the governance structures. These had in effect been replaced when the new Instrument and Articles were adopted. There was therefore no longer a requirement (for example)</p>	<p>New Clerk</p>	<p>31/05/17</p>
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<p>for representatives of HS2 and of the two sponsoring local authorities to be present at every board meeting, as had previously been the case.</p>		
<p>The Committee agreed to ask the Committee Chair to make clear in reporting to the Board that the Instrument and Articles were now the governing documents and took precedence over any other rules that might previously have been made.</p>		
<p><b>Action: Use report to Board to clarify status of Instrument and Articles (ACT 09)</b></p>	<p>AS</p>	<p>12/04/17</p>
<p>The Committee also agreed to ask the incoming Clerk to prepare a report identifying the rules and policies that had been agreed by the shadow board and distinguishing those that should, and should not, form part of the new governance framework.</p>		
<p><b>Action: Prepare analysis of agreed rules and policies in relation to the new governance framework (ACT 10)</b></p>	<p>New Clerk</p>	<p>31/05/17</p>
<p>The Committee went on to consider the roles of the five standing committees that had been, or were in course of being, established (see Item 6) and agreed to recommend that, during the current, formative phase of the Corporation’s life, committees should be used for governor training as well as for scrutiny of College performance, plans and policies. Initially, training and development activities should make up approximately half of the agenda of each committee meeting. Each committee should be asked to consider its own training and development needs. There would also be training and development activities relevant to all governors, such as the Safeguarding and Prevent training that was to take place before the April board meeting. In areas such as these, where it was important for all governors to have some knowledge, there should be online provision for those governors who were unable to attend in person.</p>		
<p><b>Action: Recommend this approach to the Board (ACT 11)</b></p>	<p>AS</p>	<p>12/04/17</p>
<p>In relation to succession planning and governor appointment/re-appointment issues, JMs told the Committee that her analysis of Corporation members and their interests was based on one-to-one interviews conducted in the summer of 2016. There had since been a number of changes in the circumstances of individual members (for example, the former Chief Executive of Birmingham City Council was no longer with that authority); not all governors had been consistent in their attendance; and it was recognised that the skills required to</p>		



<p>govern a working College were different from those required to guide a start-up project.</p>		
<p>Following discussion, it was agreed that the Committee Chair should arrange individual meetings with all governors to discuss their interests and aspirations. These should take place in late June or early July at the end of the next round of committee meetings.</p>		
<p><b>Action: Arrange interviews with all governors (ACT 12)</b></p>	<p>AS</p>	<p>30/06/17</p>
<p>The Committee also recognised that a number of governors had interests that might potentially conflict with those of the College. These would normally be manageable, but a clear process was required to ensure that interests were declared and that governors withdrew from discussions where there might be an actual or perceived conflict. Particularly careful consideration needed to be given to the conflicts that might face members of the Corporation who were governors or senior officers of other colleges.</p>		
<p><b>Action: Alert Board of the need to recognise and manage potential conflicts (ACT 13)</b></p>	<p>AS</p>	<p>12/04/17</p>
<p>It was agreed that, with a number of changes in the composition of the Board likely over the next six months, there was no need at this stage to set up a formal mechanism to ensure that governor retirements were phased. Active succession planning would, however, be part of the Committee’s role, and retirement/re-appointment dates would need to be mapped out once the initial changes were complete.</p>		
<p>Governors noted that the Instrument and Articles provided for at least one and not more than three staff governors and at least one and not more than three student governors. In deciding how many staff and student governors should be appointed, the Corporation would need to balance the need for different groups, working in different locations (Birmingham and Doncaster), to feel equally represented, against the benefits of maintaining a board of manageable size. The possibility of a single Student Council, working (mainly virtually) across the two campuses, should be considered.</p>		
<p><b>Action: Develop draft procedures for appointment of staff and student governors (ACT 14)</b></p>	<p>New Clerk/ CM</p>	<p>31/05/17</p>
<p>The Committee noted the other roles (apart from the role of governor) in which individuals could support the Corporation, and asked CM to develop proposals for an industry advisory board. This could be a</p>		

<p>recruitment/induction channel for the Corporation as well as an appropriate way of engaging stakeholders who were committed to the College's aims but were unable or unwilling to take on the full responsibilities of Corporation membership. CM confirmed that the Corporation Chair fully supported this proposal.</p>		
<p><b>Action: Develop proposals for industry advisory board (ACT 15)</b></p>	<p>CM</p>	<p>31/05/17</p>
<p><b>4. Board vacancies</b></p> <p>CM reported that, in addition to the vacancy for a member with financial expertise referred to under Item 1 (Action 4), the Corporation lacked a link to Birmingham City Council (BCC) following Mark Rogers' resignation as Chief Executive. The Committee agreed to recommend that this vacancy should not be advertised until the existing vacancy had been filled. CM confirmed that the Chair of the Corporation supported this proposed course of action. She was asked to invite BCC to send a representative to the 12 April board meeting, who could be co-opted on a temporary basis.</p> <p><b>Action: Invite BCC to send a substitute for Mark Rogers to the forthcoming board meeting and recommend the co-option of that individual (ACT 16)</b></p> <p>In answer to a question, CM confirmed that the Corporation was not required to inform the Skills Funding Agency of changes in its membership other than of a change of CEO or Chair.</p> <p><b>5. Succession planning for Chair of the Corporation</b></p> <p>CM reported that the Chair of the Corporation had indicated a wish to step down in the autumn. It was agreed that the October awayday, which was scheduled to follow immediately after the opening of the two campuses, would provide a good opportunity for a new Chair to take over the leadership of the Corporation. Ideally, the new Chair should have been recruited and inducted before the end of the summer term.</p> <p>The Committee agreed that the person appointed needed to have an unblemished reputation, the respect of stakeholders in the railway industry, and at least some familiarity with relevant technology. He or she also needed to be someone with high-level contacts, to whom politicians and policy-makers would always be ready to listen, and used to operating in the public eye.</p> <p>Given the need to move quickly, it was important to determine the best way of managing the process. There were three options. One was to use a leading search firm, which would not only research the</p>	<p>CM</p>	<p>31/03/17</p>



market and manage the process but also open doors; but the cost would be significant. Alternatively, the Committee could engage one of the College's existing suppliers of recruitment services, with which favourable terms had been negotiated. The third option was to employ external researchers, with in-house administrative support for the process. In all three options, but particularly in the last, it would be important to use governors, and in particular the outgoing Chair, to open doors.

It was agreed that CM should check with the Chair of the Corporation that he was happy to have his impending retirement made public, and work with him and the Committee Chair to put in train an appropriate recruitment process, taking account of the limited capacity available in-house, and reporting back to the Committee.

**Action: Put in train process for recruitment of a new Corporation Chair (ACT 17)**

CM

30/04/17

## 6. Governance Structure

In considering the proposals for the committee structure, the purpose and membership of each committee and the support to be provided, governors sought assurance that strategic financial decisions were neither being postponed, nor taken without reference to the Board or an appropriate committee. This was particularly important as the Finance Committee currently only had one external member, who was not a finance specialist. That committee did not therefore have the capacity to provide the necessary scrutiny of financial proposals. CM assured the Committee that strategic financial decisions had not been and would not be taken without the approval of the Board. Where, pending the establishment of a properly-constituted Finance Committee, the Board needed additional assurance, the matter would be referred to the Audit Committee, which included members with relevant expertise. In the short term, that committee might need to review proposals for the transfer of property and the accounting arrangements for deferred grants. In the longer term, the Audit Committee would be the channel through which the Board would receive assurance on its use of resources, including reports from auditors. The meeting of the embryonic Finance Committee scheduled for 22 March would be a short meeting to consider terms of reference, skills needs and committee composition and to make recommendations to the Board.

Following discussion, the Committee agreed that the risk posed by the temporary lack of a competent Finance Committee was low, and that appropriate steps were being taken.



<p>Turning to the composition of the Quality and Standards Committee, governors agreed that there was a need for a member with a broad knowledge of teaching and learning in the school or college sector to complement the Higher Education experience of Prof. Jon Binner.</p> <p>It was agreed that the Committee Chair should be asked to attend the forthcoming meetings of the Audit, Finance and Resources, and Quality and Standards Committees to facilitate their consideration of their proposed terms of reference and membership.</p> <p><b>Action: Ensure that committee meetings in the current cycle address terms of reference and membership issues (ACT 18)</b></p> <p>The Committee went on to consider the need for a separate Remuneration Committee. Following discussion, governors agreed to recommend that:</p> <ul style="list-style-type: none"><li>• two separate committees should be established, as proposed;</li><li>• the meetings of the Remuneration Committee should be scheduled to follow immediately after those of the Search and Governance Committee; and</li><li>• the members of the Remuneration Committee should be the same as the members of the Search and Governance Committee, save that the CEO would not be a member of the Remuneration Committee but would attend only to make recommendations in relation to senior post-holders and other staff.</li></ul> <p>The Committee agreed to recommend that the first meeting of the Remuneration Committee (scheduled to follow immediately after the Search and Governance Committee meeting on 26 June) should address process issues. It would be necessary at that meeting to review the performance management cycle to ensure that the review dates for all senior post-holders, College-wide pay review dates and Remuneration Committee meeting dates were all aligned.</p> <p>The Committee Chair was asked to discuss these arrangements with the Corporation Chair before presenting a recommendation to the Board.</p>	AS	31/03/17
<p><b>Action: Discuss proposals for Remuneration Committee and for alignment of SPH performance management cycles with Corporation Chair and present to Board (ACT 19)</b></p> <p>The Committee agreed to recommend the proposed dates for 2016-17 and 2017-18 board and committee meetings, subject to the</p>	AS	12/04/17



# HIGH SPEED RAIL

correction of the 2018 July Board meeting date to 25 July 2018 and consideration of a later start for the Board meeting on 24 July 2017.		
<b>7. Any other business</b>  There was no other business,		
<b>8. Date of next meeting</b>  Monday 26 June 2017, 14:30 – 16:30 hours		