



**Extraordinary Search, Remuneration and Performance Committee
Tuesday 17 November 2020 18:00-20:00, Boardroom and Teams**

Draft minutes

Committee	Sue Kingman (Chair); Ian Valvona; Andy Chew; Mike Sutcliffe; Vincent Neate; Jim Marshall
In Attendance	Elaine McMahon (Interim Principal and CEO); Alison de Lord (Assistant Principal HR & OD); Sarah Connerty (interim governance advisor); Neal Hook (staff governor) - observer for items 1-4
Apologies	

Item	Time	Item Description	Action
1		<p>Welcome and apologies</p> <p>The Chair welcomed colleagues to the meeting. There were no apologies received. Neal Hook, staff governor attended for items 1-4 as an observer.</p>	
2		<p>Declarations of interest</p> <p>The interim governance advisor declared an interest under items 5 and 6. The Committee noted that they were happy for SC to remain in the meeting for these items as minute taker.</p>	
3		<p>SPA outcome and next steps</p> <p>Update on Principal /Chair meetings</p> <p>EM reported that she had spoken to the Principal at HCUC, Darrell de Souza (DDS) and discussed an outline of principles of merger and communication. DDS suggested RuTC lead on the communications and Clare Tear from Marketing has coordinated with input from the Chair, EM and HCUC. The press release had been sent out this afternoon. DDS asked RuTC to take forward the appointment of a project lead and suggested contacting FEA and AoC. IV had noted a name at FEA. EM has been in touch with FEA and AoC and will contact a third firm. Both are interested in tendering for the work. The process is ongoing, and it looks like there will be somebody worthwhile joining. EM noted that DDS has been in constant communication and has shared processes for the previous merger which is very detailed and will be shared with CLT and IV in the first instance. EM and DDS have discussed risk and DDS noted that HCUC have factored the £2m VAT costs into their forecasts. HCUC have done a lot of homework and seem to be very well prepared and informed which is reassuring.</p> <p>EM reported that meetings took place last week with the unions and staff. A follow up meeting took place with the unions today which raised some very good questions, and nothing was raised that was a cause of concern or a breach of confidentiality.</p>	

		<p>FE Week sent over an article which reflects the work they reported on last year and will include quotes from the press release. EM noted that the article could have been more positive.</p> <p>AdL has been collecting questions from staff to raise at an all staff meeting tomorrow where CLT will respond to staff questions. AdL noted that there have been individual teams' meetings and an open invitation for questions from staff. Questions include: What does it mean for me? Will the curriculum change? Will I have to go to HCUC to work at any point? Will I get a pay rise? AdL reported that generally, after the disappointment of not standing alone, staff are seeing this as an opportunity. CLT have been pressing on them that HCUC are not competitors and are geographically further away with different catchments and employer focuses. The support staff are more nervous because of the shared services element and CLT, although unable to give assurances, have pointed out that the teams are already very lean. Staff are looking at the merger as a potential opportunity and are really looking forward to less uncertainty at the College.</p> <p>JM asked if any announcement has been made to students. EM noted that an announcement has gone on the website and tomorrow morning will be discussed at CLT to agree a comms plan for students. It is expected that there will be parents and students who will want to have a dialogue with the College following the press release.</p> <p>IV reported that a note has gone out to Munira Wilson in advance of the press release and she has indicated that she was grateful for the communication. This relationship, alongside other stakeholders, should be maintained through the merger process.</p> <p>IV noted that a tender process will be expediated, particularly for the project manager which is a critical role. The principles of merger will be available to assure the early discussions phase and a terms of reference will be agreed for the joint group. The FEC's suggestion for a shadow board and independent chair had no traction with HCUC either so this will not be taken forward and a joint transition committee seems to be the likely decision. IV noted that it would be good for the first meeting to take place in advance of the RuTC Board on the 9 December on the assumption that the project manager is in place.</p> <p>IV noted that he has had a call with the Chair of HCUC, Nick Davies, who confirmed that the approval to explore merger options with RuTC had been a unanimous one and the HCUC Board are really pleased with the decision and joint endeavour to move forward.</p> <p>Indicative merger timeline</p> <p>EM noted that SC has put together a merger timeline which is helpful to show milestones.</p> <p>JM asked about the VAT charges of £2m and the fact that a type B merger will crystallise these. He proposed that a discussion should take place around merger options to avoid this. JM noted that he would raise at tomorrow's ESFA case conference and SC agreed to send JM through guidance on type a and type b mergers in advance of the meeting.</p>	JM/SC
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	<p>AC asked about the topics in place on the timeline. One of the things that runs through merger are the softer aspects in terms of culture and there should be some kind of workstream that thinks about preparing for that in the run up to merger. EM reported that AdL and EM are aware that this strand is extremely important. They have been working with staff to understand how they feel the culture is now and how they want it to be. AdL is taking this substantive piece of work to CLT tomorrow. The College is in a good place to say who it is now and who it wants to be. The Strategic Plan is going to be communicated and one of the key strands is culture. The timing is right for staff to consider these areas before going into merger. There is a lot to be proud of and be celebrated at the same time. AdL reported on a workshop at the last College CPD day which shows a lot of pride and passion from staff about the College. Staff don't want to lose their identity, and some staff have been at the College a long time and are vested in it. An action plan to rebuild trust is underway. AC asked at what stage does the College engage with HCUC to develop culture. AdL noted as soon as possible along with knowing all their processes and procedures. She noted that the College wants to exploit the opportunities of this merger but there is still so much it doesn't know about HCUC yet, compared to HCUC who learnt a great deal about the College during the SPA process. AC noted that, having been through merger several times in the past, quite rightly, there is a tendency to focus on the mechanics of merger, but it is equally important to call out and recognise the softer aspects in the remit of the programme manager. JM agreed that the softer piece is the last thing people think about so having that conversation early shows that the College are serious about it and he suggested this is explained to HCUC that RuTC staff feel passionate about the College and its identity and don't want to lose that.</p> <p>MS noted that understanding HCUC's values and how they map onto our values will be important.</p> <p>Process for membership of a joint transition committee</p> <p>IV noted that EM would be on the committee supported by CLT. He would like staff governors to be involved and this could be on rotation basis dependant on the capacity of NS and CO. Committee chairs are central to the process and although this would make the committee large, he would rather have more potential members who are invested and keeping up to speed on the process. IV noted that scheduling will be important to ensure maximum participation. NH noted that he and CO are keen to support the process and in terms of scheduling evenings would be preferable due to College commitments.</p> <p>Information to the Board on the 9 December 2020</p> <p>IV noted that it will be hard to talk about engaging financial and legal due diligence by the time of the meeting, but the College could provide a boiler plate specification ready as a letter of engagement for procurement terms to share. Costs would be saved by using the</p>	<p>IV/SC</p>
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	<p>same legal firm for due diligence, subject to HCUC’s view, but the College would engage their own supplier for the financial due diligence which is a very important part of the work.</p> <p>EM noted discussions with DDS and IR around concerns about the cost of the due diligence process which hasn’t been budgeted for. There isn’t likely to be any government assistance, but EM will raise at tomorrow’s ESFA case conference because if there is an opportunity to be supported it should be taken. If there is not, the College will need to very quickly understand the costs as the revised budget is very tight, mostly due to Covid costs. EM noted that the College would be compromised if HCUC were paying more than 50%. IV agreed that this is an early conversation needed with HCUC.</p>	EM
4	<p>Membership and succession planning</p> <p>The Chair introduced the item and the current status of Board and Committee membership on the Board which is 14 (nine independent governors, the Principal and CEO, two staff governors and two student governors) and three co-opted governors.</p> <p>There was a discussion about the membership numbers on Audit and Risk Committee if John Poole were to step down after the November committee meeting. There was a discussion about increasing ARC membership and points raised included:</p> <ul style="list-style-type: none"> • VN noted that he would be slightly concerned about a staff governor being a member of the ARC which would create a create a conflict of interest. That conflict could be managed, but VN would want the Committee to be comfortable with that. • VN raised the possibility of appointing a new co-opted member of the Audit Committee from HCUC’s Board, or from external sources. All governors to consider this and send through any suggestions • The possibility of bringing an existing governor onto the Committee. From the current membership this is restricted to MS and Helen Litvak • VN to speak to John Poole about his capacity to remain on the Committee until dissolution in the first instance • Consideration of bringing back former governors in co-opted roles to support the Board. SK to contact Rosemary Scully <p>IV reported that Rosh Sellahewa was planning to step down after the SPA process but is now happy to stay until the end of the academic year. There may be demands on his time as a governor at Woking College. It was agreed that this could be managed, and the Committee thanked RS for his continued commitment.</p> <p>The Committee considered the capacity for the current Board and agreed that it could manage the merger process and usual business. It was agreed that a recruitment campaign at the current time would be time consuming and unsuitable. However, time limited co-opted roles would be considered. It was agreed that the Board has the</p>	<p>All</p> <p>VN/SC</p> <p>SK</p>

		necessary skills required to do the work of merger and no further expertise was required. (Neal Hook departs)	
5		<p>Value for money report on Senior Post Holder interim roles</p> <p>Adl reported that a draft came to SRP six months ago and is based in financial terms on last year. The report gives context on the recruitment processes that took place for the interim roles, the economy and costs of interims and the efficiency and effectiveness of those roles. AdL thanked IV for the words around DD and SC's performance. The conclusion is that on the whole the objectives of interims have been met and therefore have been value for money. [confidential item] EM reported that she had the opportunity to contribute to the report prior to its publication. The Committee noted the report and considered the content and outcomes in related to item 6.</p>	
6		<p>Extension of Senior Post Holder interim roles</p> <ul style="list-style-type: none"> • Interim VP Finance • Interim governance advisor <p>The Committee considered the extension of the interim VP Finance and interim governance advisor in the context of item 5 and agreed that the consistency and expertise of the roles were required to take the College through to dissolution. They noted that the interim Principal and CEO role is on a fixed term contract until the end of the academic year.</p> <p>RESOLVED: The Committee recommended to approve the extension of the interim VP Finance interim governance advisor until dissolution with terms and conditions as follows: [confidential item]</p>	
7		<p>The Colleges' Senior Post Holder Remuneration Code: Annual Statement to the Board</p> <p>The interim governance advisor reported that the Board adopted the Code in March 2020. To demonstrate its compliance with the Code the Committee is required to produce an annual statement to the Board. This report will come to the Board on the 9 December and for transparency it is recommended that it is published on the governance section of the website.</p> <p>The Committee also produced an audit against the Code which shows 100% compliance and a revised policy on the Remuneration of SPHs. Both came to the September Committee meeting.</p> <p>The Committee considered the Report and suggested the following updates: make more explicit the interim roles of the Principal and CEO due to the FEC led SPA process; highlight the higher than average percentage of teaching staff at the College; clarify in the report that the Board complies in full with the Code.</p> <p>RESOLVED: The Committee recommend to approve the Colleges' Senior Post Holder Remuneration Code: Annual Statement to the Board subject to the updates proposed above.</p>	SC

8		<p>Any other business</p> <p>AC suggested that the Committee stresses to Board members that their responsibilities remain with RuTC until dissolution.</p> <p>[confidential item] JM noted that the Board is required to disclose governor attendance and poor attendance is a risk. IV agreed and noted that for transparency there will be a legacy record of attendance following dissolution. JM suggested emphasising to individuals that their attendance will be disclosed. It was agreed that for Committees where the quorum is tight there is a high risk of business not being able to be conducted effectively if there is nonattendance.</p>	
9		<p>Meeting dates for 2020-21:</p> <p>3 February 2021; 2 June 2021 to be rearranged as this falls within the College's half term week.</p>	SC

Meeting closed at: 19.13