

MORLEY COLLEGE LONDON



GOVERNING BODY

Minutes of a Meeting held at Morley College, 61 Westminster Bridge Road London SE1 7HT on 11 December 2017 at 5.00 pm.

Present:

Mr Peter Davies, External Governor (**Chair**) (present from Item 7; Chair of the meeting from Item 8)
Dr Stuart Edwards, External Governor (**Vice-chair**) (Chair of the meeting for Items 1-7)
Mr Martin Bamford, Student Governor (Items 1-20 and 22-25 only)
Mr Jim Brown, External Governor
Mr Tim Cochrane, External Governor
Ms Pauline Egan, External Governor
Ms Heather Fry, External Governor
Dr Andrew Gower, Principal and Governor (Items 1-20 and 22-26.1 only)
Mr Luke Howson, Staff Governor
Dr Steve Ketteridge, External Governor
Ms Marilyn McMenemy, External Governor
Mr Victor Olowe, External Governor (from Item 4)
Ms Sara Robertson-Jonas, Staff Governor (Items 1-20 and 22-25 only)
Mr Mash Seriki, External Governor
Dr Fiona Stephen, External Governor

In attendance:

Mr Marco Macchitella, Deputy Principal (Items 1-20 and 22-25 only)
Mr Nick Rampley, Vice-Principal (Items 1-20 and 22-25 only)
Ms Rachel Burgess, Director of Finance (Items 1-20 and 22-25 only)
Ms Michelle Punt, Head of Human Resources (Item 3 only)
Mr Martin McNeill, Clerk to the Governing Body and Company Secretary

Absent:

Ms Sharon Potter, External Governor

RESOLUTIONS

- To confirm the minutes of the meeting held on 16 October 2017 (Minute 5)
- To approve the College's Report and Financial Statements for 2016-17, with the amendments minuted (Minute 6.4)
- To authorise the Chair of Governors to sign the Accounts, the Strategic Report, the Statement of Corporate Governance and Internal Control, the Statement on Regularity, Propriety and Compliance, the Statement of Responsibilities of the Governing Body and the Letters of Representation addressed to the Financial Statements Auditor and the Regularity Assurance Provider (Minute 6.4)
- To authorise the Principal as Accounting Officer to sign the Accounts, the Statement of Corporate Governance and Internal Control, the Statement on Regularity, Propriety and Compliance and the Letters of Representation addressed to the Financial Statements Auditor and the Regularity Assurance Provider (Minute 6.4)

- To approve the 2016-17 Self-assessment Report (Minute 7.3)
 - To approve the 2017-18 Governance Quality Enhancement Plan with one amendment (Minute 8)
 - To approve the 2017-18 Equality and Diversity Action Plan (Minute 9)
 - To change the targets for KPI A1a and KPI T2 to 85 per cent (Minute 13)
 - To suspend the use of KPI A5 for 2016-17 and 2017-18 (Minute 13)
 - To modify the 2017-18 Work Programme to provide for the Finance, Resources and Fundraising Committee to receive an interim report on the performance of professional services teams in May rather than February (Minute 14)
 - To modify the 2017-18 Work Programme to provide for the Audit Committee to review the complete Risk Register annually in the spring term, with a subsequent report to the Board (Minute 15.3)
 - To confirm the confidential minutes of the meeting held on 16 October 2017 (Minute 19)
 - To confirm its support for Strategic Option 2, as set out in the FE Associates Report, as an immediate goal that might or might not lead to subsequent work to develop Option 3 or Option 4 (Minute 21.3)
 - To appoint Wylie & Bisset as the College's internal audit service provider from 1 January 2018, subject to review in March 2020 and annually thereafter (Minute 24.3)
 - To appoint Justine Brian, Nic Durston and Heather Smith as governors to serve until 31 July 2021 (Minute 25.2)
 - To re-appoint Martin Bamford as a student governor to serve until 30 November 2019 (Minute 25.2)
 - To appoint Justine Brian to the Quality and Standards Committee, Martin Bamford and Nic Durston to the Finance, Resources and Fundraising Committee and Heather Smith to the Audit Committee (Minute 25.2)
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1. Apologies for absence and quorum

Apologies were received and accepted from Sharon Potter for absence and from Peter Davies and Victor Olowe for lateness. The Clerk confirmed that the meeting was quorate.

2. Welcome, introduction and declarations of interest

In the Chair's absence, the Vice-chair took the chair. There were no declarations of interest. It was agreed that Staff and Student Governors and members of the SMT should withdraw for Item 21.

3. Departmental presentation

3.1. The Head of HR explained the structure and responsibilities of the HR team, its key strengths and the areas for enhancement that had been identified in the recent self-assessment. She also outlined the current pay arrangements, which included four separate salary scales and which the College was aiming to simplify.

3.2. In answer to questions, the Head of HR said that the number of staff receiving regular, formal appraisals had increased but was still below 90 per cent. The appraisal framework had recently been reviewed and changes introduced to encourage a higher level of compliance. In her view, a team of just four full-time staff, with some external consultancy support, would always find it difficult to provide an 'outstanding' service, but by focusing on excellence in performance management they could help to ensure that leadership and management was 'outstanding' overall. The high proportion of part-time staff (three out of every four staff members, including a large number of hourly-paid tutors) meant that contractual issues and

case-work inevitably demanded more resources than in other colleges with similar numbers of full-time-equivalent staff.

- 3.3. Asked how difficult it was to motivate staff who had reached the top of the relevant pay scale, the Head of HR said that pay was by no means the only, or even the most important, motivator. Staff greatly valued having access to courses at a heavily discounted rate, and the recognition provided by the staff excellence award scheme was also seen as important. The HR Committee, which included representatives of all types of staff role, kept the benefits package under review and actively sought opportunities to improve the staff experience. It was significant that the percentage of staff who said that they would recommend Morley as an employer had risen year by year to its current level of 86 per cent.
- 3.4. Governors noted that the gender pay gap (as discussed at the recent meeting of the Finance, Resources and Fundraising Committee – see Item 14) remained, on the face of it, a cause for concern. Further analysis of possible reasons for the apparent gap was in hand.

At this point, the Head of HR left and Victor Olowe joined the meeting

4. College Performance 2016-17

- 4.1. Introducing the KPI report, the Principal told the Board that some improvements had been made to the presentation of the graphs. The College was currently developing a reporting dashboard which should give a much clearer graphic presentation of performance and enable trends – for example the downward trend in staff costs as a proportion of income (A11) – to be more readily discerned.
- 4.2. The Principal drew governors' attention to the improved levels of recruitment, the maintained levels of staff and student satisfaction and the financial out-turn which was significantly better than budget. Overall achievement was also pleasing: he warned, however, that in comparing the different achievement rates shown in the tables, governors should bear in mind that the different types of course that the College offered attracted very different numbers of students. For example, unaccredited courses (KPI A6k) accounted for 86 per cent of enrolments; English for Speakers of Other Languages (ESOL) (A6h) for eight per cent; and Maths and English GCSEs (A6f) – which received a great deal of government and media attention, and where Morley students performed well – only for 0.5 per cent.
- 4.3. Asked which aspects of College performance were the most important, the Principal said that recruitment and achievement would always demand attention. Governors noted that the targets for the percentage of planned provision delivered (T2) and for recruitment (A1a) were shown as 85 per cent – the proposed target for 2017-18 (see Item 13 below) – rather than the 100 per cent that had been agreed for 2016-17. Similarly, the target for the percentage of students acknowledging that they felt the College to be a safe place to study (T4) had also been shown as 93 per cent rather than the actual 2016-17 target of 100 per cent. It was agreed that the Quality and Standards Committee should be asked to re-consider the 2017-18 target for KPI T4 and make a recommendation to the Board if appropriate.

5. Principal's Report

- 5.1. The Principal drew governors' attention to a number of important external developments, including the replacement of the Higher Education Funding Council for England (HEFCE) by the Office for Students (OfS). Internally, a number of curriculum innovations had been introduced, with many new courses, both accredited and unaccredited, and some different models of delivery. Most courses

had recruited well; those that had not were being closely examined to ensure that their content continued to meet learner needs and that they were being effectively marketed. This category included some music technology and performing arts courses.

- 5.2. The development of three new centres (two very close to the College, the third two-and-a-half miles away) provided additional opportunities for curriculum innovation, particularly in the use of blended learning techniques. Governors welcomed the proposal to develop a family-friendly flexible learning programme for the Stockwell community, for which funding would be sought from the Department for Education's Flexible Learning Fund. They were also pleased to learn about the ways in which IT was being used to enhance some advanced and higher learning programmes, and requested an opportunity to experience a Google Classroom.
- 5.3. Turning to funding issues, the Principal told the Board that decisions on allocation of the Skills for Londoners Capital Fund and Small Projects Fund were not now expected until mid-January. In relation to revenue funding, he reported that the Education and Skills Funding Agency (ESFA) had recently agreed to allocate an additional £207k in 2017-18 in respect of over-delivery in 2016-17. Looking to the longer term, he made clear his view that the College should continue (alongside the other Institutes for Adult Learning (IALs)) to seek national funding in addition to the Adult Education Budget funding that would be channelled through the Greater London Authority. This was important because many Morley students were commuters, or travelled from outside Greater London to access specialist courses that might not be available locally.
- 5.4. Questioned about the extent to which the College had been successful in introducing programmes of Higher Education (HE), the Principal reported that five of the six planned courses were running. Although the cohorts were smaller than planned, the numbers were viable in educational terms (the sixth planned programme, in Performing Arts, would probably not have been) and student feedback was highly complimentary. Asked how the student experience might compare to that at other HE institutions, he explained that, while Morley could not always match the scale of facilities and resources available elsewhere, the quality and diversity of the teaching staff and the opportunities for peer learning in an adult education setting were viewed very positively, particularly by those students who might not otherwise have been attracted to HE.
- 5.5. Governors noted that successful recruitment for 2018-19 was vital to ensure that HE provision was financially, as well as educationally, viable. The Principal confirmed that the peak recruitment season was normally between January and April, so an indication should be available before the 2018-19 curriculum plan was finalised. He also reported that the College's application for membership of GuildHE had been accepted.

6. Annual Report and Financial Statements

- 6.1. The Board considered the Annual Report of the Audit Committee, which incorporated the reports of the internal and external auditors, and thanked the Committee for the work that it had done throughout the year to obtain assurance on risk management and governance matters.
- 6.2. In answer to a question about cyber-security, the Chair of the Audit Committee said that this would be considered by the internal auditors as part of the programme that they would shortly be planning, which would also include a review of preparations for the introduction of the General Data Protection Regulation (GDPR) in May 2018. The Clerk was asked to ensure that the next meeting of the Audit Committee

received a report confirming that the arrangements described in the briefing delivered at the June Strategy Development session had been updated as necessary.

- 6.3. The Board considered the final draft of the Annual Report and Financial Statements for 2016-17, and noted that, in addition to the typographical error mentioned in the covering report, there were two other errors (one a mis-spelling, the other an incorrect reference to the arrangements by which the College is regulated) on page 4 of the Annual Report (page 148 of the board pack).
- 6.4. Subject to these amendments, the Board agreed to approve the Report and Financial Statements and to authorise the Chair and Principal (as appropriate) to sign the Accounts, the Strategic Report, the Statement of Corporate Governance and Internal Control, the Statement on Regularity, Propriety and Compliance, the Statement of Responsibilities of the Governing Body and the Letters of Representation addressed to the Financial Statements Auditor and the Regularity Assurance Provider.

Peter Davies joined the meeting at this point

7. SAR and QEP

- 7.1. The Deputy Principal introduced the Self-assessment Report (SAR), which incorporated a number of changes suggested by the Quality and Standards Committee. He emphasised that, although the College did not yet assess itself as 'outstanding' overall, the target of being judged outstanding by Ofsted was in sight. Asked for clarification, he explained that the College needed an 'outstanding' self-assessment to justify a request to Ofsted for a full inspection; otherwise, a short inspection only would be carried out and the College would continue to be graded 'good'.
- 7.2. Governors sought and received assurance that for the College to be assessed as outstanding not all opportunities for enhancement needed to have been fully realised. The Deputy Principal explained that Ofsted frequently identified improvement opportunities even at 'outstanding' colleges.
- 7.3. The Board expressed its appreciation of a well-written SAR, which told a clear story and illustrated it with relevant and sometimes moving case studies, and agreed to approve it as an accurate assessment of the quality of the College's educational provision as at the end of 2016-17.
- 7.4. Looking ahead, governors recognised the importance of making further progress in improving further the quality of learning, teaching and assessment and in securing the best possible outcomes for students. They noted that, under the current Common Inspection Framework, Ofsted inspectors did not judge the quality of outcomes solely on achievement rates, but focused much more on the progress that students made in lessons and on their progression to employment, further study or the realisation of other significant goals. It was agreed that a strong case needed to be made on both progress and progression, as the goals of adult learners were often more complex than those of young people in further education. Governors also needed to gain an understanding of what progress and progression looked like; this could be a focus of some engagement visits.
- 7.5. It was also agreed to be important to identify those aspects of performance that were currently standing in the way of the College assessing itself as 'outstanding'. While the dynamism of the curriculum made this more difficult, it was clear that there were some clearly-defined areas where achievement was relatively low and the evidence of progress was not strong enough to outweigh the statistics. Of these

areas, ESOL was the most significant (see Minute 4.2 above). It followed that this must be a prime area for management attention in 2017-18.

- 7.6. Reviewing the Quality Enhancement Plan (QEP), governors noted that four of the seven identified Areas for Enhancement (AfEs) were carried forward from the previous year and sought assurance that the actions planned would bring about the improvements sought. The Principal explained that, even if the College were judged 'outstanding', there would still be ways in which it could enhance the quality of provision still further (see Minute 7.2 above). He agreed nevertheless that future QEPs and QEP updates should incorporate a statement of the progress that had been made on AfEs carried forward. This would help governors to monitor progress from year to year and in-year.
- 7.7. Asked how much attention Ofsted might be expected to pay to AfE2 (improving cancellation rates), the Deputy Principal told the Board that inspectors would want to obtain assurance that the College was operating with a proper concern for value for money. This AfE did, however, have a significance beyond the concerns of Ofsted as the College sought, in implementing its Strategic Plan, to strike a balance between short-term efficiency (only running courses for which there was sufficient demand) and the drive to identify and meet stakeholder needs through continuous innovation (which might not always be successful).
- 7.8. The Board was content that the QEP identified the most important AfEs emerging from the SAR, and set out appropriate ways of addressing them, subject to some re-drafting to highlight the importance of ESOL. This might involve some changes to (in particular) AfE6, separating the ESOL achievement issues and the specific actions to be taken in relation to that area of the College's work. While recognising that mock exams might be a useful way of building the confidence of students who might otherwise be reluctant to participate in examinations, governors encouraged the SMT to undertake further work to explore good practice in this area and, if possible, to learn from other successful providers of ESOL courses.

At this point, Peter Davies took over from Stuart Edwards as chair of the meeting

8. Governance QEP

The Board agreed to approve the draft Governance QEP, subject to some re-wording of AfE1 to make clear that the targeted outcome was a high level of governor confidence in the College's ability to deliver the Strategic Plan. This confidence would be built not only through regular engagement but also through analysis of the Business Development Plan with a clear focus on the associated risks.

9. Equality and Diversity

The Board considered the draft Equality and Diversity Report for 2016-17 and approved the 2017-18 Action Plan. Governors asked the SMT, in implementing the plan, to pay particular attention to three areas:

- the relatively low achievement rates of younger students (partly a consequence of those students being disproportionately represented on accredited courses);
- the relatively low achievement rates of black and minority ethnic (BAME) students; and
- the extent to which gender pay gap issues might be addressed by giving greater prominence in the performance management system to opportunities for progression.

10. Minutes

- 10.1. The minutes of the meeting held on 16 October 2017 were confirmed as a correct record and it was agreed that they should be signed by the Chair.

16 October 2017: Minute 14.7 Search and Governance Committee (external evaluation)

10.2. The Clerk reported that a short list of possible advisers had been drawn up for consideration by the Chair and that an application would be submitted within the next week.

Other matters

10.3. Governors were content that all other outstanding actions, other than those that were on the agenda of this meeting or were not yet due to be addressed, had been satisfactorily addressed.

11. Matters arising

None

12. Remuneration Committee (1)

The Board was pleased to receive the minutes of the Committee's recent meeting and its Annual Report.

13. Quality and Standards Committee (1)

The Board was pleased to receive the minutes of the Committee's recent meeting and its Annual Report. The Committee's proposal to modify the targets for KPIs A1a and T2 to 85 per cent and to suspend the use of KPI A5 was agreed.

14. Finance, Resources and Fundraising Committee (1)

The Board was pleased to receive the minutes of the Committee's recent meeting and its Annual Report. The Committee's proposal to modify the 2017-18 Work Programme to provide for its mid-year review of the performance of professional services teams to be undertaken in May rather than in February was agreed.

15. Audit Committee (1)

15.1. The Board was pleased to receive the minutes of the Committee's recent meeting and to note that the GDPR Working Party referred to in Committee Minute 6.5 had now met.

15.2. Reviewing Section 2 of the Risk Register, governors noted that two risks were currently rated above their target risk ratings. In answer to a question, the Vice Principal explained that the 'retained risk' column in the Register showed the rating of each risk at the time that it was originally assessed, after taking account of any actions that already been taken to mitigate the risk. The 'current risk rating' reflected subsequent developments up to the date at which the Risk Register was presented for review.

15.3. Following discussion, the Board agreed that the full Risk Register should be reviewed at least annually by the Audit Committee and (subsequently) the Board, and that the 2017-18 Work Programme should be modified to allow for that review to take place in the spring term.

16. College performance in 2017-18

Governors noted that, although the surplus achieved in the first three months was six per cent below budget, the College was still on course to achieve the budgeted surplus for the year.

17. Other business

None

18. Date of next meeting

Confirmed as Monday, 26 March 2018 at 5.30 pm.

19. Confidential Minutes

The confidential minutes of the meeting held on 16 October 2017 were confirmed as a correct record and it was agreed that they should be signed by the Chair.

20. Matters arising

None

At this point members of the SMT and the staff and student governors withdrew

21. Strategic Options

See confidential minutes

At this point members of the SMT and the staff and student governors re-joined the meeting

22. Quality and Standards Committee (2)

The Board was pleased to receive the confidential minutes of the Committee's recent meeting.

23. Finance, Resources and Fundraising Committee (2)

23.1. The Board was pleased to receive the confidential minutes of the Committee's recent meeting.

23.2. See confidential minutes

24. Audit Committee (2)

24.1. The Board was pleased to receive the confidential minutes of the Committee's recent meeting.

24.2. The Clerk reported that he had spoken to the Finance Directors of three English colleges who had had Wylie & Bisset as their internal auditors for varying lengths of time. All three spoke positively of their experience and none had any hesitation in recommending Wylie & Bisset to any other college looking to appoint an internal auditor

24.3. The Board agreed the recommendation to appoint Wylie & Bisset as internal audit service provider from 1 January 2018.

25. Governor appointments

25.1. The Chair outlined the interview panel's reasons for recommending three external appointments to fill two upcoming vacancies: while two of the candidates had strong business and financial credentials (and so could be expected to fill some of the specific skills gaps that would be left by the retirements in April of Jim Brown and Tim Cochrane), the third was a local resident with an interest in and knowledge of education (including adult education, of which she had direct experience) and

social inclusion, and the panel had agreed that she would make a valuable contribution to the Board.

25.2. The Board agreed to approve all three nominations, and to make committee appointments as recommended. The Board also agreed to re-appoint Martin Bamford as a student governor for a second two-year term, and that he should continue to serve on the Finance, Resources and Fundraising Committee. Mr Bamford (as Chair of the Student Council) reported that a candidate for the second student governor position had been identified and that he would discuss with the Clerk and the Student Services Manager the procedure that should now be followed to ensure that the outstanding vacancy was filled.

At this point the Deputy Principal, the Vice Principal, the Director of Finance and the staff and student governors withdrew

26. Remuneration Committee (2)

See reserved minutes (Principal and external governors only)

The meeting ended at 7.15 pm

Martin McNeill
Clerk to the Governing Body

Confirmed as a correct record at the meeting held on 26 March 2018

and signed by.....Peter Davies CB CBE (Chair of that meeting)

SCHEDULE OF OUTSTANDING ACTIONS

Minute	Action	Responsible	By when	Progress
27 March 2017				
5.8	Provide opportunity for governors to consider findings of Cable study of student voice Update October 2017 Included in Board Development Programme	Principal/ Clerk	26 March 2018 (Board Development)	
10.4	Include consideration of stakeholder voice in Strategy Development agenda Update October 2017 Included in Board Development Programme	Principal/ Clerk	5 February 2018 (Strategy Development)	

Minute	Action	Responsible	By when	Progress
17 July 2017				
11.3	Governors to consider whole Risk Register at least once a year	Audit Committee	November 2017	
16 October 2017				
11	Review presentation of Business Development Plan before it is next presented to Governors	Vice Principal	July 2018	
14.7	Apply for NLG support for external review of governance and consult Chair and Vice-chair on choice of NLG	Clerk	31 December 2017	
11 December 2017				
4.3	Re-consider target for KPI T4	QS Committee	5 March 2018	
5.2	Provide governors with the opportunity to experience a Google classroom	Deputy Principal/ Clerk	By 31 March 2018	
6.2	Audit Committee to receive update on cyber-security arrangements	Head of IT/ Clerk	13 March 2018	
7.4	Ensure that, where possible, governor engagement visits include a focus on progress and progression	Deputy Principal/ Clerk	From January 2018	
7.6	Show progress made in addressing AfEs carried forward from previous QEP	Deputy Principal	From March 2018	
7.8	Explore good practice in raising achievement of ESOL students	Deputy Principal	Report to QS Committee 5 March 2018	