

MORLEY COLLEGE LONDON



GOVERNING BODY

Minutes of a Meeting held at Morley College, 61 Westminster Bridge Road London SE1 7HT on Monday, 16 July 2018 at 5.30 pm.

Present:

Dr Stuart Edwards, External Governor (**Vice-chair and chair of the meeting**)
Mr Martin Bamford, Student Governor
Mr Nic Durston, External Governor
Ms Pauline Egan, External Governor
Ms Heather Fry, External Governor (Items 1-9 only)
Dr Andrew Gower, Principal and Governor
Mr Luke Howson, Staff Governor
Dr Steve Ketteridge, External Governor
Ms Marilyn McMenemy, External Governor
Mr Victor Olowe, External Governor
Ms Sara Robertson-Jonas, Staff Governor
Ms Heather Smith, External Governor
Dr Fiona Stephen, External Governor

In attendance:

Mr Marco Macchitella, Deputy Principal
Mr Nick Rampley, Vice-Principal
Ms Rachel Burgess, Director of Finance
Ms Lynda Kinne, Programme Manager, Fashion (Items 1-3 only)
Mr Martin McNeill, Clerk to the Governing Body and Company Secretary

Absent:

Mr Peter Davies, External Governor (**Chair**)
Miss Justine Brian, External Governor
Mx Mustafa Korel, Student Governor
Ms Sharon Potter, External Governor
Mr Mash Seriki, External Governor

RESOLUTIONS

- To confirm the reserved minutes of the meeting held on 11 December 2017 (Minute 4.1)
- To confirm the minutes of the meeting held on 26 March 2018 (Minute 4.2)
- To confirm the confidential minutes of the meeting held on 26 March 2018 (Minute 4.2)
- To approve the continuation of the approach taken to KPI target setting for 2016-17 and 2017-18 (Minute 5.6)
- To approve the 2018-19 budget and 2018-20 financial plan (Minute 9.1)
- To allow cash levels to fall below £1 million to a minimum of £800k for a temporary period during 2018-19 should the risks identified in the sensitivity analysis considered at the board meeting on 17 July 2017 materialise
- To approve the self-evaluation questionnaire to be completed by all governors in the summer of 2018 (Minute 11.4)
- To approve the outline Board Development Programme, including a one-hour risk appetite and risk management session on 15 October and to the addition of diversity and

inclusion to the topics proposed by the Search and Governance Committee (Minute 11.5)

- To re-appoint Peter Davies as a governor, to serve from 7 November to 31 December 2018 (Minute 11.7)
 - To appoint Stuart Edwards as Chair of Governors from 1 January 2019 and as Vice-chair and Chair Designate from 1 August to 31 December 2018 (Minute 11.8)
 - To appoint Mash Seriki to the Remuneration Committee from 1 August 2018 (Minute 11.9)
 - To appoint Martin Bamford to the Audit Committee from 1 August 2018 (Minute 11.9)
 - To adopt the Student Engagement Policy with a review date of 31 July 2022 (Minute 12.1)
 - Subject to a minor amendment to paragraph 5.2, to adopt the Student Disciplinary Procedure with a review date of 31 July 2022 (Minute 12.1)
 - To note that Section 1 of the Risk Register contains two risks rated 'high' (Risks 2a and 2b) and that Risks 4a and 5a are currently rated above target (Minute 13.2)
 - To approve the External Audit Plan for 2017-18, including the proposed fee (Minute 13.3)
 - To approve the Terms of Reference of the five standing committees (Minute 14)
 - To approve the revised schedule of meetings for 2018-19 with the inclusion of the meeting of the Search and Governance Committee to be held on 21 January 2019 and the provisional schedule of meetings for 2019-20 (Minute 15.1)
 - To approve the consolidated Work Programme for the Board and its standing committees for 2018-19 with the inclusion in the Finance, Resources and Fundraising Committee's agenda for February 2019 of an annual Sustainability Report (Minute 15.2)
 - To approve the terms of a loan offered by National Westminster Bank Plc, to authorise the Principal and one other governor to sign the Loan Agreement and any associated documents required by the Bank and to keep the signatories indemnified out of the assets of the College in relation to all liabilities incurred by them under the Loan Agreement (Minute 16)
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1. Apologies for absence and quorum

Apologies were received and accepted from Peter Davies, Justine Brian and Mash Seriki. The Clerk confirmed that the meeting was quorate.

2. Welcome, introduction and declarations of interest

In the absence of the Chair, the Vice-chair took the chair. There were no declarations of interest.

3. Programme area presentation

3.1. The Programme Manager for Fashion gave the Board an introduction to the HND Fashion course, with the help of a video clip featuring students' work and interviews with students (Appendix 1). She said that the internal progression rate on the course had been good, with eight out of the ten current students already accepted for progression to Year Two. Recruitment for the new Year One was also going well, with 12 applications received to date: even though it was not certain that all would be accepted, the high quality of the applicants was encouraging.

3.2. The Programme Manager said that the course was attractive to students because it was not only well resourced (dedicated fashion studio with technician support outside lesson times, industry-standard machines, digital suite) but also offered greater flexibility than many university courses, which often demanded early specialisation in a particular aspect of Fashion. The Morley HND gave students the opportunity to work alongside other students with different specialist interests in

Fashion and related areas and to collaborate on events such as the annual Catwalk Show. The 2018 show had involved students from jewellery and textiles programmes as well as those following Access and HND courses in Fashion; they had all been able to gain the valuable experience of designing their own show, working with professional models.

3.3. In answer to questions, the Programme Manager was able to provide governors with assurance in a number of areas:

- Industrial placements were being actively explored, as a way of enhancing students' employability skills. Some employers had already shown an interest in exploring this possibility. It was suggested that the 'New Designers' event might in future years open more opportunities in this area.
- The HND course was providing a progression opportunity for existing Morley students, with one of 2018's highest achievers having progressed to the HND from short courses through intermediate and advanced levels; at the same time, top-up arrangements were being developed with the College's HE partner, Ravensbourne, to enable HND students to progress to degree level if they wished.
- The intake was diverse, with 50 per cent of students identifying as BAME, and a wide age range. Only two of the current students were male, but this was not unusual in Fashion, and there were several male applicants for places on the course starting in September 2018. It was possible that the growing popularity of gender-neutral clothing might encourage more male interest.
- The main focus of the Fashion team currently was on recruitment, both for 2018 and subsequent years. In the longer term, it might be worth considering different patterns of provision, for example through evening classes.

4. Minutes

4.1. The reserved minutes of the meeting held on 11 December 2017 were confirmed by the external governors and the Principal without discussion as a correct record and it was agreed that they should be signed by the Chair.

4.2. The minutes (including the confidential minutes) of the meeting held on 26 March 2018 were confirmed as a correct record and it was agreed that they should be signed by the Chair.

27 March 2017: Minute 10.4 Search and Governance Committee (stakeholder voice)

4.3. Governors agreed that the strategy development session on 21 May (see Minute 6.1) had been a useful opportunity to explore how the College gained an understanding of, and responded to, stakeholder needs.

17 July 2017: Minute 11.3 Audit Committee (risk register)

4.4. Governors noted and endorsed the positive response of the Audit Committee (see Minutes 11.5 and 13.1) to proposals to develop a Risk Management Framework and Risk Strategy, and to the proposed timetable.

16 October 2017: Minute 11 Business Development Planning

4.5. Governors noted that the presentation of the Business Development Plan (see Minute 10.1) had been further refined.

11 December 2017: Minute 5.2 Principal's Report (Google classroom)

4.6. The Clerk said that the opportunity to experience a Google classroom had not been expressly made available as part of the Governor Engagement Programme in the summer term, but would be offered as part of the autumn term programme.

11 December 2017: Minute 6.2 Annual Report and Financial Statements (cyber-security)

4.7. Governors noted that the Audit Committee had welcomed the strong assurance provided by the internal audit report on cyber-security but considered that this would continue to be a significant risk (see Minute 13.1).

11 December 2017: Minute 7.4 SAR and QEP (progress and progression)

4.8. The Clerk said that it was his intention to issue new guidelines for governor engagement visits in the autumn term; these would continue to emphasise the need to focus on progress and progression.

26 March 2018: Minute 7.5 College performance (HE quality, partnerships and fees)

4.9. Governors noted that quality and partnerships issues had been fully addressed by the Quality and Standards Committee and that the fee structure from 2020 would be the subject of a report to the Finance, Resources and Fundraising Committee in March 2019 (see Item 15b – Work Programme).

26 March 2018: Minute 7.8 College performance (National Achievement Rate Tables)

4.10. The Board agreed that these issues (referred to in Minute 5.2 below) had been fully discussed at the Quality and Standards and Audit Committee meetings.

26 March 2018: Minute 7.8 College performance (succession planning)

4.11. Governors noted that succession planning issues would be covered in the annual HR report which would be reviewed by the Finance, Resources and Fundraising Committee in November.

Other matters

4.12. Governors were content that all other outstanding actions had been satisfactorily addressed or were not yet due to be addressed.

5. Principal's Report

5.1. Governors were pleased to note the College's close engagement with the Mayor of London's Skills and Employment Unit and the Mayor's support for the work of the Institutes for Adult Learning (IALs). Internally, it was good to see that the indicators of curriculum efficiency and course cancellation rates appeared to be moving in the right direction.

5.2. In relation to the Notice to Improve (NTI) issued by the Education and Skills Funding Agency (ESFA), governors were satisfied that appropriate action had been taken both before and after publication of the NTI and agreed that the ESFA's response to the acknowledged under-performance of a very small number of courses was disproportionate. Nevertheless, because of the potential reputational damage that an event of this type could cause, it was agreed that the achievement of minimum standards within the areas covered by the ESFA's definition should be included as an annual KPI. The Principal assured governors that the actions that had been taken in 2017-18 (as described in Area for Enhancement 6 of the Quality Improvement Plan) would have brought about the necessary improvement by the year-end, and that they could expect to see the NTI closed in January 2019. He was asked to ensure that, in any future cases of this type, early information was provided to all governors even where the matter was to be reported to one or more committees.

5.3. The Principal told the Board that the ESFA had informed the College that during 2018-19 it would undertake a Provider Assurance Review of its application of grant funding. Colleges were selected for these reviews on a random basis, and the

decision was unconnected to the issue of the NTI. The review would take place in September.

- 5.4. Among other developments, governors noted that the College had in its first year of delivering Higher Education (HE) received a provisional Teaching Excellence Framework (TEF) award, that standards in the crèche were being maintained, and that Phase 1a of the Property Strategy was on schedule to be complete by 1 September and within budget (with work in hand to ensure a start on Phase 1b in the summer of 2019, as agreed with the Greater London Authority (GLA)). They congratulated the Vice Principal and other members of the team on a highly successful Festival, which had raised the profile of the College in some important communities of practice, and also congratulated the students and staff whose many outstanding achievements were listed in the Principal's Report and in the supplementary paper that had been circulated.
- 5.5. Turning to the third strategic goal (ensuring financial sustainability), the Board welcomed the work that was being undertaken with the GLA to measure the impact of adult learning in anticipation of the devolution of Adult Education Budget (AEB) funding from September 2019. Governors recognised that 2018-19 would be financially challenging as the College continued to invest in both curriculum development and quality enhancement, but supported the decision to leave the staffing structure largely unchanged.
- 5.6. The Board approved the continuation of the approach taken to KPI target setting for 2016-17 and 2017-18, but asked the Search and Governance Committee to give more detailed consideration to the two Governance KPIs.

6. Strategy development

See confidential minutes

7. College performance

- 7.1. The Board was pleased to receive the assurance of the two committees that had scrutinised the KPIs in detail that the College had performed well overall in Term Two, but that there was still work to be done to improve class sizes for unaccredited and community-based courses, and attendance and achievement rates overall.
- 7.2. In answer to a question about room utilisation targets, the Director of Finance said that these had historically been set too low for Term Two. There had been, nevertheless, a pleasing improvement, particularly in daytime utilisation rates, over the last two years.
- 7.3. The Board also received the financial management report, which projected a small surplus for the year in line with budget. The Director of Finance explained that the final balance sheet might look different from that presented, as it now seemed unlikely that capital expenditure would reach the threshold at which the agreed loan would become available. This would not have any impact on the College's financial health rating for either 2017-18 or 2018-19, both of which would remain 'good'.

8. Finance, Resources and Fundraising Committee

- 8.1. Having considered the minutes of the committee meetings held on 1 May and 26 June, the Board agreed that the Committee's terms of reference should be amended as proposed and that an annual report on sustainability should be included in the Committee's annual work programme. The Board also agreed to ask the Search and Governance Committee to identify a Lead Governor to play a part in the

fundraising campaign. Other governors were asked to consider how they might contribute to the success of the fundraising appeal.

- 8.2. The Board noted the Committee's concern that in seeking to ensure financial sustainability the College should continue to pursue improved efficiency as well as growth.

9. Budget 2018-19

- 9.1. After taking into account the Director of Finance's report and commentary and the additional assurances obtained by the Finance, Resources and Fundraising Committee, the Board agreed to approve the 2018-19 budget and 2018-20 financial plan. The Board also agreed that, should the risks identified in the sensitivity analysis considered at the board meeting on 17 July 2017 materialise, cash levels should be allowed to fall below £1 million to a minimum of £800k for a temporary period during 2018-19.
- 9.2. The Board was satisfied that all relevant matters included in the ESFA's financial planning checklist had been considered and, where of material significance, addressed in the commentary.

Heather Fry left the meeting at this point

10. Business Development

- 10.1. Introducing the Plan, the Vice Principal told the Board that the 2018-20 Plan was a continuation of the 2017-19 Plan, with the same main areas of focus. Asked specifically about the challenges facing Performing Arts, he said that many of these related to the launch of the HND in this area, which had been postponed from 2017-18 but had now attracted sufficient demand. Appropriate resources were in place, including a new drama studio.
- 10.2. Governors welcomed the proposals set out in the Plan, but asked that more attention should be paid in the 2019-21 Plan to improving efficiency.

11. Search and Governance Committee

- 11.1. The Board received and considered the minutes of the Committee's recent meeting and approved its proposed work programme for 2018-19. In receiving the committee minutes, governors asked the Clerk to ensure that, in future, minutes were fully comprehensible without reference to other documents. Where recommendations were being discussed, it should be made clear what those recommendations were.
- 11.2. Turning to the External Review of Governance, the Board thanked Jennifer Foote for her work and for providing assurance that a sound framework was in place. Governors recognised that in a two-day assignment it was not possible to drill down to any depth or to interview more than a handful of governors. It was, however, regrettable that two interviewees identified as of critical importance had not been interviewed.
- 11.3. Following discussion of the recommendations from the Search and Governance Committee following that committee's detailed consideration of the review, the Board:
- a) asked the Chair and Clerk to:
- make clear that starred items on the board agenda can be opened up for discussion on request;

- encourage committee chairs to take a lead in representing the views of the committees that they chair; and
 - integrate team-building activities into planned development sessions;
- b) asked the Chair (and committee chairs) to encourage all governors to raise non-critical issues outside the meeting;
- c) noted that risk appetite would be part of the agenda for the 15 October development session; and
- d) asked the Search and Governance Committee to consider further:
- how succession planning can be developed for all governor positions;
 - to what extent and in what way community leaders could be further engaged in the work of the College; and
 - how governor understanding of student needs and concerns can be further improved.

11.4. The Board agreed to approve the proposed self-evaluation questionnaire, to be completed by all governors in the summer of 2018, noting that the Search and Governance Committee would undertake a full review of this questionnaire in the course of 2018-19.

11.5. The Board also agreed to the proposal for a one-hour Board Development Session on 15 October, to be led by the College's internal auditors, Wylie & Bisset, and covering risk appetite and risk management and to the inclusion in the Board Development Programme for 2018-19 of as many as possible of the following topics:

- progression;
- safeguarding (for the four governors who were unable to make the March 2018 session);
- diversity and inclusion;
- the implementation of the fund-raising strategy;
- finance and funding developments (including the impact of devolution);
- cyber-security (again)
- digital inclusion (again);
- trends in the adult education market nationally and internationally;
- the meaning of quality (perhaps best suited to a strategy development session and linked to training in what to look for when undertaking an engagement visit).

11.6. Governors noted that, if the strategic development discussed earlier (Minutes 6.3 – 6.15) went ahead, it would be necessary to devote most of the February Strategy Development session to that topic.

11.7. Having considered the proposal from the Committee, the Board agreed to extend Peter Davies's term of office as a governor until 31 December 2018 and to accept his resignation as Chair from that date.

At this point Stuart Edwards withdrew from the meeting and it was agreed that Steve Ketteridge should take the chair

11.8. Having considered the proposal from the Committee, the Board agreed to appoint Stuart Edwards as Chair from 1 January 2019 and as Vice-chair and Chair Designate from 1 August to 31 December 2018. The Board noted that, unless there were a change in the College's Articles of Association, Dr Edwards' term of office as Chair would end when he ceased to be a governor on 31 July 2021.

At this point Stuart Edwards rejoined the meeting and resumed the chair

- 11.9. The Board also approved the Committee's recommendations that Mash Seriki be appointed to the Remuneration Committee and Martin Bamford to the Audit Committee.

12. Quality and Standards Committee

- 12.1. The Board was pleased to receive the Committee's assurance as to College performance, quality enhancement, learning, teaching and assessment and curriculum planning. The Student Engagement Policy and Student Disciplinary Procedure were approved, the latter subject to a small change to paragraph 5.2 to make clear that the entitlement to be accompanied by a friend, relative or student representative extended to investigation and appeal hearings.
- 12.2. The Board agreed to approve the recommended changes in the Committee's Terms of Reference and its proposed Work Programme for 2018-19.

13. Audit Committee

- 13.1. The Board was pleased to receive the minutes of the Committee's recent meeting and to note that the internal auditors had provided 'strong' assurance in relation to the actions taken in response to earlier audit recommendations and 'substantial' assurance in relation to the College's risk management arrangements. It was agreed that this last would be discussed further at the board development session on 15 October. In relation to cyber-security, the auditors had also provided 'strong' assurance, but the Committee Chair emphasised that the focus of the internal audit work had been on IT controls; threats to cyber-security continued to emerge and the risk remained high.
- 13.2. Governors noted that, in Section 1 of the Risk Register, the risks of learning opportunities being insufficiently relevant to community needs and based on an inadequate understanding of the market and of failure to achieve targets for digital inclusion both continued to be assessed as 'high'. Two other risks which were currently above their target levels were also noted.
- 13.3. The Board agreed to approve the external audit plan for 2017-18, including the fee to be charged; and to approve amended terms of reference for the Committee and its proposed Work Programme for 2018-19.

14. Committees' Terms of Reference

The Board confirmed the terms of reference of the five committees, incorporating, in the case of the Audit and Quality and Standards Committees, the agreed amendments. Amended Terms of Reference for the Finance, Resources and Fundraising Committee, incorporating the change referred to in Minute 8.1 above, would be considered at the December board meeting.

15. Schedule of meetings and work programme

- 15.1. The revised schedule of meetings for 2018-19 and the provisional schedule for 2019-20 were approved, subject to the inclusion of the Search and Governance Committee meeting on 21 January 2019 (which had been agreed at the March board meeting).
- 15.2. The Consolidated Work Programme for 2018-19 was approved, subject to the inclusion in the Finance, Resources and Fundraising Committee's agenda for February 2019 of the annual Sustainability Report referred to in Minute 8.1 above.

16. Loan agreement

16.1 It was reported that National Westminster Bank Plc (the Bank) had offered to make available to the College a loan of £500,000 for the activities of the College on the terms set out in the Loan Agreement in the form now produced, and incorporating the Bank's Base Rate Loan terms.

16.2 After considering all the circumstances and being satisfied that the Loan:

- is permitted by the College's Articles of Association; and
- is for the benefit of the College

it was resolved that:

- the Loan Agreement be approved;
- the Principal and one other governor be authorised to sign the Loan Agreement and any associated documents required by the Bank; and
- the signatories be kept indemnified out of the assets of the College in relation to all liabilities incurred by them under the Loan Agreement.

17. Other business

None.

18. Date of next meeting

Confirmed as Monday, 15 October 2018 at 5.30 pm.

The meeting ended at 8.15 pm

Martin McNeill
Clerk to the Governing Body

Confirmed as a correct record at the meeting held on 15 October 2018

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

SCHEDULE OF OUTSTANDING ACTIONS

Minute	Action	Responsible	By when	Progress
17 July 2017				
11.3	Governors to consider whole Risk Register at least once a year Update July 2018 New Risk Management Framework to be considered by Board in December	Audit Committee	10 December 2018	
11 December 2017				
5.2	Provide governors with the opportunity to experience a Google classroom Update July 2018 To be included in 2018-19 Governor Engagement Programme	Deputy Principal/ Clerk	30 September 2018	
7.4	Ensure that, where possible, governor engagement visits include a focus on progress and progression Update July 2018 New guidelines to be issued	Deputy Principal/ Clerk	30 September 2018	
7.6	Show progress made in addressing AfEs carried forward from previous QEP Update March 2018 Details to be included in 2018-19 QEP (autumn term 2018)	Deputy Principal	22 November 2018 (QS Committee)	
7.8	Explore good practice in raising achievement of ESOL students Update March 2018 To be reported in context of annual achievement KPIs (autumn term 2018)	Deputy Principal	22 November 2018 (QS Committee)	

Minute	Action	Responsible	By when	Progress
26 March 2018				
7.5	Consider HE issues (including quality and partnerships) when reviewing curriculum delivery and 2018-19 curriculum plan Update July 2018 Fee structure from 2020 will be the subject of a report to FRF in February 2019	Quality and Standards Committee	26 February 2019 (FRF Committee)	
7.15	Obtain assurance as to succession planning arrangements for key posts Update July 2018 Succession planning for Tier 3 managers to be covered in annual HR report	FRF Committee	19 November 2018 (FRF Committee)	
12.5	Obtain legal advice on revised Information and Data Protection Policy, including consideration of Data Controller and Data Protection Officer roles	Clerk	1 April 2019	
16 July 2018				
5.6	Re-consider Governance KPIs	SG Committee	21 January 2019 (SG Committee)	
8.1	Draft amended ToR for FRF Committee	Clerk	19 November 2018 (FRF Committee)	
8.1	Include annual sustainability report in FRF work programme	Clerk	15 October 2018	
8.1	Identify a Lead Governor for fundraising campaign	SG Committee	1 October 2018 (SG Committee)	
8.1	Consider how best to contribute to fundraising appeal	All governors	15 October 2018	
11.2	Convey the Board's thanks to Jennifer Foote	Clerk	31 July 2018	

Minute	Action	Responsible	By when	Progress
16 July 2018 (cont'd)				
11.3	Make clear that starred items on the board agenda can be opened up for discussion on request; encourage committee chairs to take a lead in representing the views of the committees that they chair; and integrate team-building activities into planned development sessions	Chair/Clerk	15 October 2018	
11.3	Encourage all governors to raise non-critical issues outside the meeting	Chair	15 October 2018	
11.3	Consider how succession planning can be developed for all governor positions; to what extent and in what way community leaders could be further engaged in the work of the College; and how governor understanding of student needs and concerns can be further improved	SG Committee	1 October 2018 (SG Committee)	