

MORLEY COLLEGE LONDON



GOVERNING BODY

Minutes of a Meeting held by Microsoft Teams on Monday 22 March 2021 at 4.30 pm.

Present:

Dr Stuart Edwards, External Governor (**Chair**)
Ms Pauline Egan, External Governor (**Vice-chair**)
Mr Alex Cole, External Governor (from Item 3)
Miss Justine Brian, External Governor
Miss Shola Bryan, Student Governor
Mr Pedro Dias Ferreira, External Governor
Mr Nic Durston, External Governor
Ms Gill Evans, External Governor
Ms Heather Fry, External Governor
Dr Andrew Gower, Principal and Governor
Mrs Gail Le Coz, External Governor
Ms Susan Lindsey, External Governor
Mr Victor Olowe, External Governor
Mrs Debbie Ryle, Staff Governor
Ms Moyra Samuels, External Governor (Items 1-8 only)
Ms Heather Smith, External Governor
Charlotte Thompson, Staff Governor
Mr Adhip Waghe, Student Governor (from Item 3)
Mr James Ward, External Governor

In attendance:

Mr Jeremy Aston, LocatED (Items 1-7 only)
Mr Marco Macchitella, Deputy Principal
Mr Ralph Moran, Chief Finance Officer (CFO)
Mr Matthew Cunningham, Chief Marketing and Engagement Officer (CMEO)
Mr Craig Hanlon-Smith, Interim Centre Principal, North Kensington (Item 7 only)
Mr Gerald Jones, Centre Principal, Waterloo (Items 1-7 only)
Mr Matias Shortcook, Centre Principal, Chelsea (Items 1-7 only)
Ms Alex Cutler, Head of Learning and Teaching (Items 1-4 only)
Mr Luke Howson, Head of Student Service (Items 1-4 only)
Mr Martin McNeill, Clerk to the Governing Body and Company Secretary
Mr Liam Trench, Policy and Governance Officer

RESOLUTIONS

- To appoint Alex Cole as an external governor to serve until 31 July 2024 (Minute 2.1)
- To appoint Adhip Waghe as a student governor to serve until 30 November 2021 (Minute 2.2)
- To confirm the minutes (including the confidential minutes) of the meeting held on 28 January 2021 with two amendments (Minute 5.1)
- To approve the Quality Enhancement Plan (QEP) for Higher Education (HE) for 2021-22 (Minute 10.2)

- To note one risk assessed as having very high probability, one risk assessed as having high probability and one risk assessed as having very high impact (Minute 11.1)
 - To appoint RSM UK Audit LLP as internal audit service provider for an initial period beginning on 12 April 2021 and ending on 31 July 2023 (Minute 11.3)
 - To confirm the date of the next meeting as Monday 26 April 2021 at 5.00 pm by Microsoft Teams (Minute 14)
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1. Apologies for absence and quorum

The Clerk confirmed that all members were present and that the meeting was quorate.

2. Governor appointments

- 2.1. The Clerk reported that, following consideration by the Search and Governance Committee on 18 January of applications for and expressions of interest in the advertised governor vacancies, a panel comprising the Vice-chair of the Governing Body, the Chair of the Audit Committee and the Vice-chair of the Finance, Resources and Fundraising (FRF) Committee had interviewed two candidates with accountancy qualifications and relevant financial expertise. The panel had unanimously recommended the appointment of Alex Cole, and it was agreed that he should be appointed subject to the completion of eligibility checks (the Clerk confirmed that satisfactory references had already been obtained).
- 2.2. The Clerk also reported that Adhip Waghe had been elected Chair of the Student Council and nominated by the Student Council to serve as a student governor. New Student Council elections would take place in the autumn. The Board agreed to his appointment until then, subject to the completion of eligibility checks.

Alex Cole and Adhip Waghe joined the meeting at this point

3. Welcome, introduction and declarations of interest

- 3.1. The Chair welcomed the newly-appointed governors and introductions were made. He also welcomed the LocatED representative. While there were no key strategic decisions to be taken at this meeting, he asked governors to bear in mind throughout their deliberations the risks that the College would be facing – particularly in the area of student recruitment – as it sought ways of ‘bouncing back’ following the easing of Covid-related restrictions.
- 3.2. The Chair also reminded members of the SLT and the Clerk of the importance of timely papers: it was not satisfactory for papers for a Monday meeting to be made available only on the preceding Friday morning.
- 3.3. Asked about the sets of minutes that had been included on this agenda, the Clerk explained that the minutes of the recent meeting of the Covid-19 College Response Oversight Group were not yet available, but would be presented at a future meeting of the Board; and that the minutes of the Stakeholder Advisory Groups (SAGs) were not normally presented to the Board as the SAGs were not committees of the Governing Body. They were, however, available on Information for Governors.
- 3.4. All governors confirmed that they had no interests that they were under a duty to disclose in accordance with Article 5 of the College’s Articles of Association.

4. Pre-meeting presentations and videos

- 4.1. Governors thanked those responsible for the four videos that had been distributed in advance of the agenda (Appendix 1), including the Principal’s presentation of highlights from his report (Item 7 on the agenda); briefings on the work of the

Learning and Teaching and Student Services teams; and an outline of the promotional campaign 'The X of Morley'.

- 4.2. Governors said that they had been pleased to see the new professional service standards that had been discussed at the recent meeting of the FRF Committee (see Minute 6 of that Committee's minutes – Item 9a on this agenda) given prominence in the videos produced by the Learning and Teaching and Student Services teams. In the case of Student Services, these standards should bring greater clarity to the relationship with curriculum teams and complement the agreed standards of service to students that were already in place.
- 4.3. Governors also reported that the Learning and Teaching video (especially when viewed as a follow-up to the recent Quality Enhancement engagement opportunity hosted by the Deputy Principal) had provided some very useful insights into learning and teaching processes for governors who were not members of the Quality and Standards Committee. The Head of Learning and Teaching encouraged all governors to improve their understanding of these processes by attending some of the CPD events listed on My Morley, including the fortnightly 'coffee mornings' at which teaching staff shared their experiences. Asked specifically about the response to the digital marketing support sessions for tutors that had recently been organised by the Digital Content Creation Manager, the CMEO said that, although many tutors had successfully switched to online delivery when required, the digital agenda had yet to be fully embraced across the College as a normal way of doing things in the future.
- 4.4. The CMEO then provided further details of the 'X of Morley' campaign, which would begin with Green Week, from 26 to 30 April; this had been postponed by a week to align with the revised term dates. Green Week would comprise a mixture of classes, lectures and other events, following on from the well-established and internationally-celebrated Earth Day on 22 April. Funding had been made available from within the Marketing and Communications budget to ensure that events at all three centres received appropriate publicity, and it was the intention to include provision for Green Week 2022 in the 2021-22 budget when this was drawn up.
- 4.5. In answer to a question, the Principal said that he would take the opportunity during Green Week to promote the cross-cutting strategic theme of sustainability, evidenced in a number of practical steps being taken across the College including the planned incorporation of renewable (solar) energy sources in the renovated North Kensington Centre. The Chair also expressed the hope that one or more governors would be able to attend the conference on Climate Change and the Green Economy that the Association of Colleges (AoC) was hosting on 21 April.
- 4.6. The CMEO encouraged governors to propose unique features of the College that could serve as themes for subsequent weeks of the 'X of Morley'. Governors looked forward to receiving further details of the campaign as it developed, and to receiving further pre-board presentations and videos providing information to inform their work. It was agreed that presentations of financial issues in this form were particularly helpful and more of these would be welcome.

5. Minutes of 28 January meeting

- 5.1. The minutes of the meeting held on 28 January 2021 (including the confidential minutes) were confirmed as a correct record subject to two amendments:
 - a correction to Minute 1 to record that no apologies were received; and
 - a correction to Minutes 2.1 and 2.2 to read as follows:

2.1 The Chair thanked the CFO and his team and the auditors for all the work that they had done to bring two sets of accounts to the Board for approval, in circumstances that had been difficult for all concerned. To his knowledge, there were still at least 20 colleges that had not yet succeeded in getting their accounts to a point at which they could be agreed.

2.2 He asked governors, in scrutinising the Annual Report and Financial Statements, to focus on ensuring that they had assurance on all key issues, and were satisfied with the process that had been followed.

5.2. It was agreed that the amended minutes should be signed by the Chair.

6. Matters arising

30 March 2020 Minute 11.1 Safeguarding

6.1. The Board noted that some trend data had been provided to the Audit Committee at its March meeting but agreed that a meaningful year-on-year comparison would not be available until the autumn of 2021. The Clerk confirmed that this would be on the agenda of the Committee's November meeting.

13 July 2020 Minute 12.5 KPIs

6.2. The Board was pleased to note that a detailed analysis of outcomes for students by mode of delivery had been provided to the Quality and Standards Committee at its meeting on 1 March. The Committee Chair said that the Committee would continue to monitor differences (if any) between in-centre, online and blended courses in student achievement, attendance, retention and satisfaction rates.

14 December 2020 Minute 13.4 FRF Committee (financial data to support recommendations)

6.3. The Board welcomed the inclusion of a full financial management report on this agenda and thanked the CFO and Clerk for ensuring that management accounts were made available to all governors on a monthly basis.

28 January 2021 Minute 5.4 Annual Reports and Financial Statements (liquidity breach)

6.4. A governor sought and received assurance that the breach of the liquidity policy referred to had occurred shortly before merger, had been of a temporary nature and did not indicate any continuing weakness in financial controls

28 January 2021 Minute 5.12 Annual Reports and Financial Statements (regularity self-assessment questionnaires)

6.5. The Board noted that the questionnaires had been made available to the auditors immediately after the meeting

Other matters

6.6. Governors were content that all other outstanding actions were not yet due to be addressed. There were no other matters arising from the minutes.

7. Principal's report

7.1. The Board received and considered the Principal's report, which summarised the main factors having an impact on the performance of the College up to 5 March and provided assurance as to progress in implementing the 2021-25 Strategic Plan. The report: summarised preparations for the full release of the Strategic Plan, of which the Board had previously approved a preliminary version (released on 1 February); updated governors on the latest coronavirus-related arrangements; provided further details of the FE White Paper, including the plan for every college to have an annual strategic conversation with the Education and Skills Funding Agency (ESFA); and

drew governors' attention to the latest termly letter from the FE Commissioner, to which were attached suggested financial benchmarks.

- 7.2. Governors noted that a key strategic issue for the College over the period of the new Strategic Plan would be the further development and marketing of the online learning opportunities that had received such a positive response from students over the last year. While it was agreed that 'Morley Online' should not be a fourth centre (since all three centres would be hosting online courses delivered by existing staff), this alternative form of provision needed to be visible externally in the same way as Morley Radio or the Morley Gallery; it should not be seen merely as a 'service'. Consideration should also be given to the role (if any) of the College's online delivery partner The Skills Network.
- 7.3. Responding, the Principal said that a series of workshops had been arranged to begin shaping the online offer, with an opportunity for further discussion at the Strategy Development Session on 7 June. The College's bid to the Greater London Authority (GLA)'s 'Good Work for All' initiative (for £600k over two years) was intended to support this development. Governors emphasised the need for digital initiatives of this type to be supported by investment in technology as well as in staff. They were also pleased to receive assurance as to the quality of The Skills Network's online learning provision for adults living outside London (and so not funded by the GLA). The College was looking to develop its partnership with The Skills Network further, so as to be able to continue to provide for this group of learners in the event of restrictions on its freedom to sub-contract.
- 7.4. Governors welcomed the steps that had been taken to re-open the College to 16-to-18-year-old students as well as for Higher Education courses and looked forward to a more complete re-opening at the start of Term Three on 19 April. The Principal was able to give further assurance that Covid-secure measures were now in place, with test kits available for all staff and students attending in-centre classes to use twice weekly. He also reported that 28 laptops had been provided by the Department for Education (DfE) for student use. Governors underlined the importance of continuing to maintain a range of measures to ensure the safety of students and staff.
- 7.5. The Principal went on to give further details of the discussions between the College and the Canary Wharf Group to establish a satellite centre (under the aegis of the Chelsea Centre for the Creative Industries) to meet the needs of the local working and resident population. It was envisaged that Morley would be provided with a small retail unit that could incorporate a flexible workshop and classroom space, with a recording studio, photographic studio and café in close proximity. No significant cash outlay was involved. Questionnaires had recently been issued to local businesses to ascertain what sort of courses would be most welcome.
- 7.6. As well as the Good Work for All bid referred to above (Minute 7.3) the College had also submitted an application to the DfE's FE Capital Transformation Fund for £3 million towards Phase 2a of the Morley Forward project: the provision of a two-level access core beside the Emma Cons Hall at a total cost of £4 million. The College was required to contribute £1 million by way of match funding; the bulk of that contribution was already available in the form of a £250,000 grant from the Garfield Weston Foundation, a legacy from a former student which was expected to be worth some £600k and some smaller legacies and donations. The Board agreed that this was an appropriate use of its unrestricted capital funds, and endorsed the application.
- 7.7. Reviewing the report as a whole, Governors congratulated the College on an impressive set of achievements and commended the dynamism that had driven

such a wide range of new initiatives. They looked forward to having the opportunity to participate in annual strategic conversations with the ESFA, although it was not yet clear whether these were to replace or complement the meetings with the ESFA, GLA and FE Commissioner that monitored the implementation of the Merger Plan. Governors also sought further information about the proposal for a Development Committee to oversee fundraising across the College; the CMEO said that this proposal was not yet fully developed and undertook to report back to the Board in due course. He hoped that the current campaign to recruit a chair designate might help identify some well-networked individuals who would be interested in joining such a committee.

- 7.8. The Board then turned to consideration of the planned renovation works at the North Kensington and Chelsea centres. Governors congratulated Craig Hanlon-Smith on his permanent appointment as Centre Principal at North Kensington and looked forward to working with him over what promised to be an exciting period. The LocatED representative then gave a progress report: at North Kensington, planning permission had now been granted subject to agreement on the treatment of the road frontage; to address police concerns about the security of the open space in front of the new entrance, it was proposed that the boundary wall not be demolished but be significantly reduced in height over a length of some 20 metres, with the upper part of the wall between the piers replaced by railings. In response to questions about the trees along the pavement, the LocatED representative said that the leaf canopy started some way above the top of the railings and did not interfere with lines of sight; he also confirmed that further shrubs would be planted along the south-west boundary of the courtyard to soften the impact of the remaining wall. He agreed to circulate an illustration of the proposal, which he was now confident would be acceptable to all parties.
- 7.9. In response to questions about the safety of the building and particularly about its safety in the event of a fire, the LocatED representative said that this was constantly reviewed at three levels: by the contractors, who had appointed a fire engineer to the design team; by MACE, who provided quality assurance for the DfE as client; and by LocatED. Apart from window frames there were no flammable materials on the exterior of the building. Governors also sought and received assurance that the design met or exceeded all sustainability requirements.
- 7.10. The LocatED representative confirmed that the design process was more than half complete and a contract should be signed in late June or early July. The installation of a completely new IT infrastructure was an important part of the project, and Heads of Curriculum were being closely involved with this and other aspects of the design. Asked how, in the context of a fixed budget, priorities were being determined, the Principal said that the College's input to the discussions continued to be informed by its dialogue with the North Kensington community and with staff and students, including through regular meetings of the Stakeholder Advisory Group.
- 7.11. In answer to a question about the College's rights under the contract, the LocatED representative explained that the College was not a party to the contract, but would, as occupier of the building, be asked to sign a memorandum of understanding which would refer to the detailed schedule of works that was being drawn up in discussions that involved all parties. This would not, however, entitle the College to any compensation in the event of delay. Governors agreed that, if a choice had to be made between short-term disruption to a class and a serious delay to the project, the priority would almost always be to complete the works so as to be able to offer a full curriculum from the planned opening date.

7.12. The LocatED representative then brought governors up to date with progress at the Chelsea Centre, where discussions had been going on for eighteen months with Kensington and Chelsea Council (RBKC) about the repairs to the Carlyle Building that needed to be put in hand before any internal works could be carried out. Governors agreed that, until a way forward had been found with RBKC, LocatED should focus on improvements to the main building that was in the College's ownership.

8. College performance

- 8.1. The Board noted that the Term One KPIs had received detailed scrutiny from the FRF and Quality and Standards Committees and that action was being taken to ensure that KPI targets were met so far as circumstances allowed. While recognising that a number of KPIs were already externally benchmarked, governors asked the SLT to investigate further opportunities for benchmarking.
- 8.2. The Board then reviewed the half-year management accounts and was pleased to note that both the net operating deficit for the year to date and the forecast deficit for the full year showed positive variances against budget. The CFO said that he would be undertaking a full review of the forecast, which would be reflected in the February management accounts. While the College appeared to be on track to deliver against its funding contracts, and expected to see some further recoveries of staff costs through the Coronavirus Job Retention Scheme, achieving the forecast fee income of £1.7 million would still be a challenge.
- 8.3. Questioned about variances shown within the management accounts, the CFO explained that the budget had been based on the two pre-merger colleges' schemes of accounts that did not match the way that staff costs were now being recorded: this gave the impression that academic support staff costs had doubled, the apparent increase being offset by an even larger reduction in 'Full time and fractional pay'. He assured the Board that the 2021-22 budget would be fully aligned with the management accounting system. This in turn would be aligned with the curriculum plan, so that the management accounts would not be recording higher levels of income (for example, from advanced and higher learning) when student numbers were shown to have fallen short of target. From 2021-22 on the curriculum plan would also include community learning: in this case the management accounts reported income from local authority contracts falling short of budget while the recruitment statistics that had been included in Appendix 4 to the Principal's Report (Item 7) appeared (misleadingly) to show that targets had been exceeded by a wide margin.
- 8.4. The CFO also responded to a question about consultancy costs, which were some way above budget because of the time that it had taken to fill a number of vacant posts; this negative variance was more than offset by the overall saving on staff costs.
- 8.5. Governors asked the CFO to look at the possibility of including an extra column in the management accounts from the start of 2021-22 to show each variance as a percentage. He said that he was currently developing a new format for presenting the management accounts and would be seeking governor feedback.

Moyra Samuels left the meeting at this point

9. Finance, Resources and Fundraising Committee

- 9.1. The Board received and considered the minutes of the Committee's recent meeting and was pleased to receive assurance that, as well as reviewing financial performance, the Committee had identified some important issues to be addressed

in the new Finance Strategy. The Committee had also suggested some broadening of the scope of the Environmental Sustainability Policy. The College's new approach to assessing and enhancing the performance of professional service teams had been scrutinised, as had the progress of fundraising efforts. The Committee had received a very full account of the activity of the Marketing and Communications team in 2020, and had identified some priorities to be addressed over the remainder of 2021. Members had, however, been conscious of their lack of marketing expertise and saw this as a skills gap needing to be filled.

- 9.2. In relation to the contractual issue referred to in the Committee's confidential minutes, the Board was pleased to learn that discussions were continuing and that the contractor had recently sought information that might be used as a basis for a compromise solution.

10. Quality and Standards Committee

- 10.1. The Board received and considered the minutes of the Committee's recent meeting, noting that it would have the opportunity to consider the revised Student Disciplinary Procedure once it had been reviewed by the Student Council. Governors were pleased to note the good progress that the Committee had observed in the implementation of the QEP and the curriculum strategy.

- 10.2. The Board agreed to approve the QEP for Higher Education. In answer to a question from a student governor, the Deputy Principal said that he would investigate as a matter of urgency any issues that might be preventing students from accessing the full range of resources available on Open Athens and JSTOR. The Committee Chair told the Board that the Committee planned as part of its 2021-22 work programme to review the full range of learning resources (including learning spaces) available to students.

11. Audit Committee

- 11.1. The Board received and considered the minutes of the Committee's recent meeting and noted that, following the Committee's review of the Risk Register:

- Risk 8 (failure to achieve student recruitment targets) was assessed as having very high probability;
- Risk 9 (failure to manage capital programmes) was assessed as having high probability; and
- Risk 15 (failure to prepare for a major system outage or data breach, including cyber attack) was assessed as having very high impact.

- 11.2. The Committee Chair told the Board that, in reviewing the Risk Register, and Risk 8 in particular, the Committee wished to distinguish the financial risks from the risk of reduced impact on the community and to be sure that realistic targets were being set. This would help to ensure a sound control environment.

- 11.3. The Board also agreed (on the Committee's recommendation) to appoint RSM as its internal auditor. The Committee Chair said that three very credible proposals had been received from three strong bidders, but that RSM had surpassed the others in demonstrating knowledge of the sector and a genuine ability to add value. She advised the Board that this appointment would prevent RSM from seeking re-appointment as external auditor, a position that the firm had held for ten years and for which tenders were now being invited. In answer to a question, the Committee Chair expressed the view that the risk of conflict of interest was remote; the firm would not be holding the two positions simultaneously, and had separate quality assurance processes in place for the different strands of work.

11.4. The Board was also pleased to receive assurance that data protection and safeguarding issues were being kept under review and that steps were now being taken to appoint a new external auditor.

12. Search and Governance Committee

12.1. The Committee Vice-chair reported on the progress of the recruitment campaign for a Chair designate of the Governing Body, on which Gatenby Sanderson (GS) had been appointed to advise. The Vice-Chair reported that GS had contacted over 200 people and had produced a long list of seven candidates which the Committee had approved on 8 March. Following interviews, GS had prepared a short list which the Committee was to consider on 24 March. Final interviews were scheduled for 7 and 8 April.

12.2. The Vice-chair, supported by other members of the Committee, said that, while full diversity information about the candidates was not available, the long list was balanced in terms of gender and diverse in terms of professional/community background. It was arguably less diverse in terms of ethnicity or age as the Board might have wished. He believed that the perceived time commitment might have been a barrier for some potential candidates who were already heavily committed. Asked whether the requirement for experience of chairing meetings limited the field, he said that this had been broadly interpreted: candidates did not have to have chaired corporate boards.

12.3. Accepting that this exercise had identified some very strong candidates for the Chair role, governors nevertheless asked the Search and Governance Committee to review the outcomes of this and other recruitment campaigns and consider what changes, if any, might help to secure more diverse fields of appointable candidates in the future.

12.4. Asked whether the Committee had yet had an opportunity to discuss how the College might engage with the work of the Climate Change Commission, the Chair said that this would be considered in the context of the Board Development programme at the May meeting of the Committee.

13. Other business

None

14. Date of next meeting

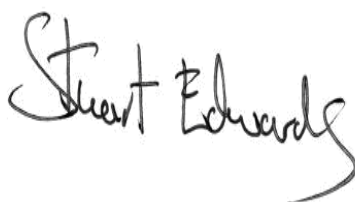
Confirmed as Monday 26 April 2021 at 5.00 pm by Microsoft Teams.

The meeting ended at 7.00 pm

Martin McNeill
Clerk to the Governing Body

Confirmed as a correct record at the meeting held on 19 July 2021

and signed by



(Stuart Edwards) (Chair of that meeting)