

## GOVERNING BODY



Minutes of a Meeting at the Waterloo Centre on Monday 12 December 2022 at 4.30 pm

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### **Present:**

Ms Leisha Fullick, External Governor (**Chair**)  
Mr Victor Olowe, External Governor (**Vice-chair**) (by Teams)  
Mr Alex Cole, External Governor  
Miss Justine Brian, External Governor  
Mr Pedro Dias Ferreira, External Governor (Items 1-11 only) (by Teams)  
Mr Nic Durston, External Governor (by Teams)  
Ms Gill Evans, External Governor (by Teams)  
Ms Heather Fry, External Governor  
Mr Jerome Godfrey, Student Governor  
Dr Andrew Gower, Principal and Governor  
Mrs Gail Le Coz, External Governor  
Ms Susan Lindsey, External Governor  
Ms Marshal Ngcongco, Student Governor (from Item 3.2) (by Teams)  
Mrs Debbie Ryle, Staff Governor  
Dr Melissa Score, Staff Governor (by Teams)  
Mr Jonathan Slater, External Governor (by Teams)  
Mr Raymundo Zuñiga, External Governor (by Teams)

### **Absent:**

Ms Jessie Peramal, External Governor  
Ms Moyra Samuels, External Governor  
Mr James Ward, External Governor

### **In attendance:**

Mr Marco Macchitella, Deputy Principal  
Mr Ralph Moran, Chief Finance Officer (CFO)  
Mr Jon Cole, Chief Planning and Data Officer (CPDO)  
Mr Matthew Cunningham, Chief Marketing and Engagement Officer (CMEO)  
Mr Craig Hanlon-Smith, Centre Principal, North Kensington  
Ms Alison McNamara, Chief People Officer (CPO)  
Mr Matias Shortcook, Centre Principal, Chelsea  
Martin McNeill, Clerk to the Governing Body and Company Secretary

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## RESOLUTIONS

- To appoint Marshal Ngcongco as a student governor to serve until 30 November 2024 (Minute 3.1)
- To confirm the minutes of the meeting held on 31 October 2022 with one amendment (Minute 4)
- To endorse the Principal's decision to offer an additional non-consolidated payment of £250 to each of the 44 lowest-paid members of staff (Minute 5.4)
- To approve the letter of representation and assessment of going concern to be addressed to the external auditor (Minute 7.3)

- To approve the Annual Report and Financial Statements for the year ended 31 July 2022 and to authorise the Chair of the Governing Body and the Principal (as appropriate) to sign the reports and statements contained therein (Minute 7.5)
  - To approve the Self-assessment Report (SAR) and the Annual Quality Review (AQR) for Higher Education (HE) for 2021-22 and the Quality Enhancement Plan (QEP) and HE QEP for 2022-23 (Minute 8.3)
  - To approve a revised Treasury Management Policy for review not later than 31 December 2026 (Minute 10.4)
  - To approve a revised Supply Chain Fees and Charges Policy for review not later than 31 July 2023 and to authorise the Chair of the Governing Body and the Principal to sign the policy on behalf of the Governing Body (Minute 10.5)
  - Subject to the satisfactory provision of due diligence information, to appoint the following subcontractors for 2022-23:
    - The Skills Network (maximum contract value £400k); and
    - The Rhythm Studio (maximum contract value £190k) (Minute 10.5)
  - To approve a contract with Visavvi in the amount of £113k (plus VAT) for the supply of audio-visual equipment (Minute 10.5)
  - To approve a revised Safeguarding and Prevent Policy for Children and Vulnerable Adults, for review not later than 31 December 2026 (Minute 12.4)
  - To approve the proposed approach to reviewing provision for local skills needs (Minute 13.4)
  - To approve revised versions of the Remuneration Policy, the Disciplinary and Capability Procedure and the Grievance Procedure for Senior Post Holders (SPHs) for review not later than 31 December 2026 (Minute 15.2)
  - To delegate to the External Relations Committee the decision to confer Fellowships and Awards in 2023, subject to details of nominees being made available to all governors at least two weeks before the scheduled meeting of the Committee (Minute 14.2)
  - To increase the pay of the Principal and CEO, the Deputy Principal and Deputy CEO, the Chief Finance Officer and the Clerk to the Governing Body and Company Secretary by three per cent with effect from 1 September 2022 (Minute 15.3)
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### **1. Apologies for absence and quorum**

Apologies for absence were received from Jessie Peramal and James Ward and accepted. The Clerk confirmed that the meeting was quorate.

### **2. Welcome, introduction and declarations of interest**

- 2.1. The Chair welcomed everyone to the meeting, expressing regret that because of travel difficulties some members were only able to join by Teams.
- 2.2. 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.

### **3. Governor appointments**

- 3.1. The Board agreed to appoint Marshal Ngcongco as a student governor, to serve until 20 November 2024.

*At this point Marshal Ngcongco joined the meeting (by Teams)*

- 3.2. The Chair welcomed Marshal Ngcongco to her first meeting of the Governing Body and invited existing governors to introduce themselves as they spoke.

#### **4. Minutes of 31 October meeting**

The minutes of the meeting held on 31 October 2022 were confirmed as a correct record, subject to the inclusion in Minute 8 of a reference to the assurance given by the Finance, Resources and Sustainability (FRS) Committee that the budgetary shortfall of £549k in the 'worst case' scenario that the Committee had considered could be covered by cost savings that the College had already identified. It was agreed that the amended minutes should be signed by the Chair.

#### **5. Matters arising**

##### 22 March 2021 Minute 8.5 College performance (presentation of management accounts)

5.1. The CFO told the Board that he had made the requested change to the presentation of the management accounts, which now showed each variance as a percentage as well as in monetary terms. He apologised for the fact that the version of the management accounts presented to the recent meeting of the FRS Committee had omitted the new 'percentage variance' column.

##### 28 March 2022 Minute 7.1 Principal's Report (provision for local needs)

5.2. The Board noted that a proposal for a review of provision for local needs was on the agenda of this meeting (see Minute 13.2 below) and asked report authors to ensure that, where relevant, cover sheets set out in summary form the impact of any recommended action on the College's provision for local needs.

##### 18 July 2022 Minute 13.2 Key performance indicators (analysis of achievement rates)

5.3. The Board was pleased to note that the KPI report (see Minute 6.1 below) included details of achievement rates by programme and that these had been shared with the Curriculum and Quality Committee.

##### 31 October 2022 Minute 9.4 Pay award

5.4. The Principal reported that in discussion with trade unions the College had agreed to offer, in addition to the three per cent uplift for all staff that the Board had agreed, an additional non-consolidated payment of £250 to each of the 44 lowest-paid members of staff. The total cost of these additional payments could be contained within the approved pay budget for the year. Governors were content to endorse this approach.

##### 31 October 2022 Minute 10.6 Governance and Nomination Committee (sustainability)

5.5. The Principal drew governors' attention to the new Sustainability page on the College website, which had been warmly welcomed by those governors who had already visited it.

5.6. Governors were content that plans were in place to address all other outstanding action items. No other matters were raised arising from the minutes.

#### **6. College performance in 2021-22**

6.1. The Board received and considered the final KPI report for 2021-22, noting that all KPIs had been reviewed by either the Curriculum and Quality (CQ) Committee or the FRS Committee, although without the very helpful analysis now provided by CPDO. Governors asked that a similar analysis be made available when KPIs were presented to committees for review.

6.2. The Board was pleased to note continuing high rates of student satisfaction, retention and (on unaccredited and a number of accredited courses) achievement. It was agreed that the impact of the pandemic, following immediately after the 2020 merger, had made it difficult over the last two years for the Board to set realistic targets for many KPIs (particularly those dependent on rates of recruitment) but that

all KPIs should receive more attention in 2022. The review of KPIs in the summer term (included in the work programme for the Board and for relevant committees) would provide an opportunity to re-consider the whole suite of KPIs and ensure their full alignment with the Strategic Plan. Governors asked that consideration be given to supplementing the analysis of year-on-year changes with information about longer-term trends in performance.

## **7. Annual Report and Financial Statements**

- 7.1. The Board received and considered the annual report of the Audit Committee, which included the external auditor's Audit Findings Report and the Committee's opinion on the College's risk management, control and governance systems and its arrangements for securing value for money, and was pleased to note that over the course of the year the Committee had fully discharged its responsibilities.
- 7.2. In relation to the Audit Findings Report, the Committee Chair told the Board that the report submitted was a near-final draft. Since the Audit Committee meeting, the three issues with a potential impact on the financial statements had all been clarified. Of the four outstanding matters referred to on page three of the report, three were for the Board to address at this meeting; the fourth depended on the Greater London Authority (GLA) providing formal confirmation to the auditor of a repayment to be made by the College in 2022-23 of grant overpaid in 2021-22. The CFO confirmed that the amount of the repayment had already been agreed in email correspondence between the GLA and the College, and no adjustments to the financial statements were required.
- 7.3. Having given careful consideration to both these reports and taking encouragement from the comments of the external auditor on the outcomes of the audit and the auditor's willingness to accept the draft assessment of going concern, the Board was content to approve the letter of representation and assessment of going concern to be addressed to the external auditor and to authorise the Chair to sign both documents on behalf of the Governing Body.
- 7.4. The Board went on to consider the Annual Report and Financial Statements. Asked to explain the difference between the accounting deficit of £3.4 million shown in the financial statements and the operating deficit of £1.7 million reported in his covering paper and in the management accounts, the CFO explained that this involved three main types of adjustment:
  - the writing-back of non-cash costs of approximately £2.2 million related to changes in pension fund liabilities, as shown in the memorandum item at the foot of the Statement of Comprehensive Income;
  - the writing-back of depreciation (£1.3 million) and restructuring costs (£500k)
  - the exclusion of non-operating income from donations (£700k), from grants received under the terms of the post-merger restructuring facility (£1.5 million) and the release of capital grants (£200k).
- 7.5. Following discussion, governors agreed to approve the Annual Report and Financial Statements for the year ended 31 July 2022 and to authorise the Chair and the Principal (as appropriate) to sign the reports and statements contained therein.
- 7.6. Asked whether more use could be made of the Annual Report for marketing purposes and in communication with stakeholders, the CMEO said that elements of the report would be used in the presentation to stakeholders planned for 19 January, to which all governors would be invited. It was his intention in subsequent years to produce an annual report of College achievements, which would include some of this information (including information about financial performance), but without the

detailed accounting and audit information that the statutory Annual Report was required to contain.

## **8. SAR and QEP**

- 8.1. The Chair of the CQ Committee introduced the SAR and QEP, and the AQR and QEP for HE, all of which had been considered in detail by the Committee. She confirmed that the changes requested by the Committee had been incorporated in the drafts now before the Board for approval; the Committee had also requested that the 2022-23 SAR and HE SAR each include an executive summary to assist readers who might not be wholly familiar with the subject matter.
- 8.2. The Committee Chair pointed out that the QEP still included some actions carried forward from prior years, but made clear that it was the Committee's and the College's intention that the focus of the QEP (and the HE QEP) should be on actions to enhance quality within the year. She commended the work that had been undertaken by the College's HE Sub-committee to ensure that this year's HE QEP was an actionable working document.
- 8.3. The Board agreed to approve the 2021-22 QEP and AQR and the 2022-23 QEP and HE QEP.

## **9. Principal's Report**

- 9.1. Introducing his report on key developments in the last six weeks, the Principal drew governors' attention to:
  - the Follow-up Report issued following the third and last of the three 'diagnostic assessment' visits by a team from the FE Commissioner's office;
  - the completion of the renovation project at the North Kensington Centre; and
  - the forthcoming interviews for Centre Principal, Waterloo, scheduled for 15 December.
- 9.2. Governors noted that the latest report from the FE Commissioner Team, which was included as an appendix to the Principal's Report, focused on the actions that the Governing Body and the College were taking to calibrate risk and develop realistic scenarios in an environment where the past was no longer a reliable guide to the future. It was agreed that the joint Governing Body/SLT Strategy Development Session (SDS) on 6 February would provide an opportunity to take this work forward. Governors welcomed the FE Commissioner's offer to provide 'active support' on request.
- 9.3. Governors also noted that the stakeholder event on 19 January (see Minute 7.6 above) would provide an opportunity to view the renovated North Kensington Centre. This would be followed by a formal opening in April.
- 9.4. The Principal identified four strategic issues for further consideration:
  - the College's approach to meeting local skills needs (see Minute 13.2 below)
  - the decision of the Office for National Statistics (ONS) to re-classify FE Corporations and designated institutions within the FE sector (such as Morley) as public sector entities
  - the impact of the rising cost of living on students and communities; and
  - the continuing need to ensure financial sustainability (to be the focus of the 6 February SDS – see Minute 9.2 above).
- 9.5. In relation to the ONS decision, the Clerk reported that he had sought guidance from the Charity Commission, but had not yet received a response. The Department for

Education (DfE) had issued a briefing note, which would be made available to governors: the only immediate change for Colleges was the removal of their freedom to borrow on a commercial basis; other details, including a possible realignment of the financial year, would follow in due course.

- 9.6. The impact of the rising cost of living, particularly on the most disadvantaged, continued to be a concern for governors. The Principal said that, while the College had very limited resources at its disposal and needed to avoid making excessive demands of its curriculum and professional services staff, it was piloting a 'warm spaces' initiative in January, running between 12.30 and 2.30 pm on Thursdays and Fridays at the Stockwell Centre and between 3.00 and 5.00 pm Mondays to Fridays at the North Kensington Centre. Those attending would be offered free tea and coffee and Wi-Fi access as well as the opportunity to participate in a range of community learning courses, including family learning opportunities.
- 9.7. In answer to questions, the Principal said that the success of this initiative would be evaluated in the first instance by the Local Environment Working Groups at the centres concerned. In the meantime, the College would continue to signpost the cost-of-living resource hubs on the relevant local authority websites. If successful, the initiative would be extended for a further period.
- 9.8. The Principal also updated governors on discussions with the Canary Wharf Group. He said that the College was not yet ready to commit to taking space at Canary Wharf, but was continuing discussions with local businesses to explore the potential for a combination of community learning provision (targeted at support workers) and Waterloo-style short courses. Governors noted that, within the support staff community servicing Canary Wharf (and also the City of London) there were many lacking Level 2 qualifications in English and Maths and other skills necessary to progress. The Principal and the CMEO were asked to contact Raymundo Zuñiga to explore this market further.
- 9.9. Considering community learning needs more widely, governors expressed some concern that the Government's Skills Strategy, as reflected in the recent [Autumn Statement](#) from HM Treasury, placed too much emphasis on the acquisition of qualifications and not enough on the wider, social outcomes of learning. The Board shared the Principal's desire to see some recognition that those furthest from the workplace often required a sequence of educational opportunities and interventions to make them job-ready, initially by building their confidence.
- 9.10. Governors concluded their consideration of the Principal's Report by offering congratulations to former staff governor Luke Howson, currently Morley's Head of Student Services, who had been appointed as Head of Student Advice and Well-being at London South Bank University, an important partner of Morley, and thanking him for his past work in ensuring outstanding support and care for Morley students.

## **10. Finance, Resources and Sustainability Committee**

- 10.1. The Board received and considered the minutes of the Committee's recent meeting and the Annual Report of the predecessor committee, the Finance, Resources and Fundraising Committee, for 2021-22, which demonstrated that that committee had effectively discharged its responsibilities in accordance with its terms of reference.
- 10.2. Noting that the Financial Management Report for the first two months of 2022-23 had shown income from fees running below budget, with additional funding income largely offsetting the shortfall, governors asked to what extent the College was able to reallocate income across budget heads. The CFO explained that

funding came in separate packages, with strict controls on how each package of funding could be spent; additional funding income did, however, make a contribution to overheads in the same way as fee income.

- 10.3. In discussion, governors agreed that it would be helpful to see a more detailed analysis of income and expenditure by funding stream and to gain a better understanding of the impact of past decisions on capital expenditure, borrowing and investment. These issues should be explored at the 6 February SDS.
- 10.4. The Board then agreed to approve the revised Treasury Management Policy, noting that it would not always be possible to determine with any precision the ethical positioning of suppliers of treasury management (or other) services or the extent to which their values aligned with Morley's. The CFO said that the procurement framework that the College was developing would take account of changing expectations in this area, learning from established good practice where possible. The Chair of the Governing Body and the Principal were authorised to sign the Policy on behalf of the Governing Body, as required by the Education and Skills Funding Agency (ESFA).
- 10.5. The Board also approved the revised Supply Chain Fees and Charges Policy, the re-appointment for a further year of subcontractors The Skills Network and the Rhythm Studio (for contracts worth respectively £400k and £190k) and a single-source contract with Visavvi for the supply of audio-visual equipment and related services to a value of £131k plus VAT.
- 10.6. The Board received and considered the Health and Safety Annual Report 2021-22, which had been thoroughly reviewed by the FRS Committee, and was satisfied that robust processes were in place to ensure health and safety for all across the College's operations.

## **11. Audit Committee**

- 11.1. The Board received and considered the minutes of the Committee's recent meeting and the November Risk Management Report, observing that in two places (one in the minutes and one in the report) Risk 2 – reduction in public funding – was incorrectly described. The Board noted that the impact of this risk was now assessed as having increased from 'medium' to 'high', reflecting the College's greater dependence on public funding, while the probability of Risk 8 – failure to achieve student recruitment targets – although no longer assessed as 'very high', continued to be assessed as 'high'. The Audit Committee had asked the Risk Management Committee (RMC) to give full consideration to this risk at its next meeting and at least annually thereafter, as the achievability of recruitment targets depended on what absolute targets were set through the curriculum planning process.
- 11.2. Questioned about the decision to assess Risk 11 – failure to recruit and retain competent and committed staff – as having 'medium' rather than 'high' impact, the Principal reminded the Board that the risk assessment had been raised earlier in the year in anticipation of more staff seeking alternative roles as the College restructured. Following completion of the restructure and the introduction of further controls, including a renewed emphasis on staff engagement, the RMC had assessed the risk at the same level as before. This risk would, however, remain an important focus of the work of the Governing Body's new People Committee, which would meet for the first time in January.

*At this point Pedro Dias Ferreira left the meeting*

## 12. Safeguarding Policy

- 12.1. The Deputy Principal introduced the revised draft Safeguarding and Prevent Policy, which responded to significant changes in the Government guidance *Keeping Children Safe in Education*. These included a requirement for Colleges to have in place a Child Protection Policy and a system for reporting low-level concerns, alongside increased expectations of online safety for staff and students and greater emphasis on the need to raise awareness of dangers of radicalisation (under the Prevent strategy).
- 12.2. The Lead Governor for Safeguarding reported positively on a recent meeting of the Cross-College Safeguarding Team, where high levels of engagement had been evident. The Team had addressed a range of important issues, including the effectiveness of Prevent training and how tutors could safeguard themselves. The Centre Principal, North Kensington added that the structure was working well and encouraging leaders to think about how to sustain high levels of safeguarding awareness across all staff groups. One suggested approach had been a regular short quiz on safeguarding issues that staff would be required to complete when logging on.
- 12.3. Asked about the requirement (in the last part of Section 4 of the Policy) for all visitors and contractors to sign in and to wear lanyards at all College centres, the Principal confirmed that governors and staff were not currently expected to sign in at Waterloo, which was an open centre. More thought needed to be given, however, to the management of visitors (including visitors to the Morley Gallery) and visiting staff/ governors at the Waterloo Centre not only from a safeguarding perspective but also in relation to health and safety issues such as arrangements for evacuation in an emergency.
- 12.4. Following further discussion, the Board agreed to approve the revised Safeguarding and Prevent Policy.

## 13. Curriculum and Quality Committee

- 13.1. The Board received and considered the minutes of the Committee's recent meeting and the Annual Report of the predecessor committee, the Quality and Standards Committee, for 2021-22, which demonstrated that that committee had effectively discharged its responsibilities in accordance with its terms of reference. Governors agreed on the importance (to which the Committee had drawn the Board's attention) of using report front sheets effectively to highlight more successful and less successful areas, to identify the challenges that were being and would need to be addressed and to invite consideration of the effectiveness of the College's response.
- 13.2. The Board then considered the proposed approach to reviewing provision for local skills needs, recognising the importance of involving Business Improvement Districts in the City of London as well as in Lambeth, Southwark and (potentially) Kensington and Chelsea. Governors particularly looked forward to having the opportunity to work with their counterparts at other Institutes for Adult Learning (IALs) in London.
- 13.3. The Board agreed that the timing of the review was fortunate, as it would be able to take account of the Local Skills Improvement Plan (LSIP), the development of which was being led by Business LDN and which was due to be published in May. The review would also provide evidence that could be used in 2023-24 curriculum planning. Asked about the implications of the requirement for a report to be published within three months of the completion of the review, the Deputy Principal



said that the review would be considered complete when a final report was submitted to the Governing Body.

13.4. Following further discussion, the Board approved the proposed approach.

#### **14. External Relations Committee**

14.1. The Board received and considered the minutes of the Committee's recent meeting, noting that at its future meetings the Committee would be addressing in more detail the effectiveness of different marketing initiatives. In the absence of the Committee Chair, the Committee Vice-chair emphasised the scale of the marketing challenge and the importance of making the best use of limited staff resources.

14.2. The Board agreed to approve the timetable for the conferring of fellowships and awards in 2023, subject to the bringing forward (from 5 June) of the date when decisions would be made, to help ensure the availability of nominees at the awards ceremony. Following discussion, it was agreed that SLT recommendations should be circulated to all governors as soon as possible after the 4 April SLT meeting and at least two weeks in advance of the External Relations (ER) Committee meeting on 24 April, to enable governors who were not members of that committee to express their views and, if necessary, to request an extraordinary board meeting. In the absence of any such request, the ER Committee was authorised to take final decisions.

#### **15. Remuneration Committee**

15.1. The Board received and considered the minutes of the Committee's recent meeting and its Annual Report for 2021-22, which demonstrated that the Committee had effectively discharged its responsibilities in accordance with its terms of reference.

15.2. The Board then considered the revised versions of the Remuneration Policy, the Disciplinary and Capability Procedure and the Grievance Procedure for SPHs, noting the changes proposed to and by the Committee, and agreed to approve them.

15.3. Having obtained confirmation that no external governor wished to raise any matter relating to an individual member of staff, the Chair invited staff and student governors and SLT members to remain. The Board then agreed without further discussion to note the objectives set for the four SPHs, to award each of them a salary increase of three per cent with effect from 1 September 2022 (in line with the award to College staff generally) and to make no additional performance-related payments. The Committee Chair confirmed that the Committee had considered the available evidence relating to salaries for similar posts and, while recognising that directly comparable information was not available in all cases, had concluded that current salaries were broadly in line with the market.

#### **16. Other business**

16.1. Two governors reported that they had recently attended meetings of College groups (a Local Environment Working Group and a Stakeholder Advisory Group) and welcomed the efforts being made to share learning across the three centres, for example by involving a Centre Principal from another centre.

16.2. A student governor asked the College to provide additional support by publicising information about the student governors (including photographs) and making clear how they could be contacted. The Board agreed that it was important for documents and communications relating to student engagement and

representation to give prominence to the role of the student governors and raise awareness across the student body at all three centres of the important roles that they played.

16.3. The Principal thanked all governors for their support for the College over 2022 and wished everyone a happy Christmas.

**17. Date of next meeting**

Confirmed as Monday 27 March 2022 at 4.30 pm at the Waterloo Centre.

The meeting ended at 6.15 pm

Martin McNeill  
Clerk to the Governing Body

Confirmed as a correct record at the meeting held on 27 March 2022

and signed by.....(Leisha Fullick) (Chair of that meeting)