

MORLEY COLLEGE LONDON



GOVERNING BODY

Minutes of a Meeting at the Stockwell Centre, 1 Studley Road, London SW4 6RA on Monday 1 November 2021 at 5.00 pm

Present:

Ms Leisha Fullick, External Governor (**Chair**)
Mr Victor Olowe, External Governor (**Vice-chair**)
Mr Alex Cole, External Governor
Miss Justine Brian, External Governor
Mr Nic Durston, External Governor (by Teams)
Ms Pauline Egan, External Governor
Ms Gill Evans, External Governor
Ms Heather Fry, External Governor
Dr Andrew Gower, Principal and Governor
Mrs Gail Le Coz, External Governor (by Teams)
Ms Susan Lindsey, External Governor
Mrs Debbie Ryle, Staff Governor
Ms Moyra Samuels, External Governor
Dr Melissa Score, Staff Governor (from Item 3)
Mr Jonathan Slater, 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 Digital and Information Officer (CDIO) (by Teams)
Mr Matthew Cunningham, Chief Marketing and Engagement Officer (CMEO)
Ms Alison McNamara, Chief People Officer (CPO)
Mr Craig Hanlon-Smith, Centre Principal, North Kensington (Items 1-7 only)
Mr Gerald Jones, Centre Principal, Waterloo (Items 1-7 only)
Mr Matias Shortcook, Centre Principal, Chelsea (Items 1-7 only)
Mr Martin McNeill, Clerk to the Governing Body and Company Secretary

Absent:

Mr Pedro Dias Ferreira, External Governor
Ms Heather Smith, External Governor

RESOLUTIONS

- To appoint Melissa Score to serve as a staff governor until 31 July 2023 (Minute 2)
- To confirm the minutes (including the confidential minutes) of the meeting held on 19 July 2021 (Minute 5)
- To approve a draft Governance Self-assessment Report (SAR) for 2020-21 including areas for enhancement for inclusion in the Governance Quality Enhancement Plan (QEP) for 2021-22 (Minute 8.7)
- To set a KPI target of 80 per cent attendance by governors collectively and by each individual governor at board and committee meetings in 2021-22 (Minute 8.7)

- To set a KPI target of 80 per cent governor satisfaction with the effectiveness of governance in 2021-22 (Minute 8.7)
 - To approve terms of reference for a review of governance (Minute 8.8)
 - To approve a Board Development Programme for 2021-22 (Minute 8.10)
 - To appoint James Ward as lead governor for careers education and guidance (Minute 8.10)
 - To approve a revised Supply Chain Fees and Charges Policy for review not later than 31 December 2022 and to authorise the Principal to sign the Policy on behalf of the Governing Body (Minute 9.14)
 - To approve the appointment as sub-contractors for 2021-22 of The Skills Network (up to a maximum contract value of £600k) and The Rhythm Studio Network (up to a maximum contract value of £300k) (Minute 9.14)
 - To approve a revised Governors' Travel and Subsistence Policy for review not later than 31 December 2025 (Minute 9.15)
 - To approve the Digital Strategy 2021-25, subject to two amendments (Minute 9.16)
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1. Apologies for absence and quorum

Apologies for absence were received from Heather Smith and accepted. Apologies were received following the meeting from Pedro Dias Ferreira. The Clerk confirmed that the meeting was quorate.

2. Appointment of staff governor

The Clerk reported that Melissa Score, Head of English at the Chelsea Centre, had been successful in the recent election for a staff governor; her eligibility to serve had been confirmed. The Board accordingly resolved to appoint her.

3. Welcome, introduction and declarations of interest

- 3.1. The Chair welcomed everyone to the first meeting of the year and the first in-centre meeting since the merger. She particularly welcomed Melissa Score and Jonathan Slater to their first meeting of the Governing Body. All present, whether in person or by Teams, introduced themselves.
- 3.2. The Chair said how much she had enjoyed meeting fellow-governors since her appointment and looked forward to working with them over the year. She indicated that re-establishing governor engagement with students following the disruption caused by the Covid-19 pandemic would be one of her priorities for the coming year.
- 3.3. 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 expressed their appreciation of the four videos that had been distributed in advance of the agenda, including the Principal's presentation of highlights from his report (Item 7 on the agenda); the account from the Chief People Officer of the actions that the College is taking to support staff well-being and mental health; the Head of Student Services' outline of the new statutory guidance around careers education; and Jenny Mercurio's account of her learning journey.
- 4.2. In answer to a questions from a governor about the availability of mental health and wellbeing support to part-time staff, the CPO said that the Employee Assistance Programme and Mental Health First Aid services could be accessed by all staff within their contracted hours, but staff wishing to pursue specific training

opportunities in this area would need to agree the details with their managers. She also confirmed that fortnightly one-to-one meetings between managers and individual members of staff were welcomed by both sides as a way of keeping in touch not only with progress towards objectives but also with support needs.

- 4.3. The CPO also agreed to share the results of the People Strategy Survey with governors; to date, only a small number of responses had been received.

5. Minutes of 26 April meeting

The minutes of the meeting held on 19 July 2021 (including the confidential minutes) were confirmed as a correct record and it was agreed that they should be signed by the Chair.

6. Matters arising

14 December 2020 Minute 9.6 SAR and QEP (Annual Report)

- 6.1. The Principal advised the Board that the stakeholder event planned for 20 January 2022 would include a presentation summarising key developments in 2020-21. It was his intention to publish an annual report, incorporating key messages from the previous year's SAR and Financial Statements, from 2022.

22 March 2021 Minute 12.3 Search and Governance Committee (review of recruitment campaigns)

- 6.2. The Board was content that the recruitment campaigns and the lessons to be learned from them had received careful consideration from the Search and Governance Committee at its meetings on 17 May and 11 October.

7 June 2021 Minute 7.6 Governor Engagement Programme (report from group engaged with quality enhancement)

- 6.3. It was agreed that although the requested summary had not been produced this item should be closed. All groups involved in the 2021-22 Engagement Programme were asked to ensure that learning was shared across the Governing Body.

19 July 2021 Minute 2.2 Welcome, introductions and declarations of interest (recording of awards ceremony)

- 6.4. The Clerk reported that, as part of the next stage of development of the Information for Governors site, he hoped to include a new section with topical items including links to videos and other documents of interest.

19 July 2021 Minute 7.2 Principal's report (refund vouchers)

- 6.5. The CFO reported that, because of the very small number of claims outstanding at the end of September, the option of extending the validity of refund vouchers had not been pursued. It was agreed that this item could be closed.

19 July 2021 Minute 8.3 Strategic Plan

- 6.6. Governors noted that a final draft of the Strategic Plan had been circulated on 28 July and that the plan had now been published.

19 July 2021 Minute 9 College performance (gap analysis)

- 6.7. The Deputy Principal told the Board that details of the steps that had been and would be taken to close the achievement and satisfaction gaps between students with and students without learning difficulties and disabilities would be included in the 2020-21 SAR to be presented to the Board in December.

19 July 2021 Minute 13.1 Key performance indicators (composite indicators)

- 6.8. The Principal said that he had given consideration to developing composite KPIS to summarise overall curriculum efficiency, student loan and fee income generation and recruitment, but given the difficulty of interpreting such indicators he advised the

Board against adding to the number of KPIs that were already monitored. It was agreed that the suite of KPIs should be reviewed again in the summer term.

19 July 2021 Minute 13.4 Key performance indicators (review by committees)

6.9. In answer to a question, the Clerk confirmed that the Work Programme for 2021-22 now included opportunities for the Finance, Resources and Fundraising (FRF) and Quality and Standards (QS) Committees to review at their summer term meetings the KPIs for which they were responsible.

19 July 2021 Minute 13.1 Key performance indicators (composite indicators)

6.10. Governors were pleased to note that details of the ETF Safeguarding Training had been made available on 21 July and encouraged the small number of governors who had still not met the requirement to undertake annual refresher training to take advantage of this opportunity. The Principal emphasised the importance of all governors being familiar with the September 2021 version of the [Statutory Guidance](#) and being able to demonstrate that they had kept their knowledge up to date.

6.11. No other matters arising from the minutes were raised.

7. Principal's report

7.1. Introducing his report, which summarised the main factors having an impact on the performance of the College up to 13 October and provided assurance as to progress in implementing the 2021-25 Strategic Plan, the Principal drew attention to three issues on which the SLT was currently focusing:

7.1.1. the forthcoming 'annual strategic conversation' on 10 November with the Educations and Skills Funding Agency (ESFA), which would also involve representatives of the Greater London Authority (GLA) and the FE Commissioner's Office, as well as the Chair and Clerk and members of the SLT. The Principal said that he would report back on the outcomes of this meeting at the 13 December board meeting;

7.1.2. the financial challenge that the College faced, which was to be addressed under Item 9. The Principal said that the SLT was working continually to modify courses, attract further students and maximise all sources of income, while seeking to improve the efficiency of staff utilisation and reduce non-pay costs wherever possible. He did not, however, believe that this was the time for a major re-structuring involving a reduction in the capacity of the College to deliver the planned benefits of the merger;

7.1.3. the likelihood of an Ofsted monitoring visit, for which preparations were already in hand. The Principal reminded governors that the 2020-21 SAR would be a major agenda item for the QS Committee at the end of the month and for the December board meeting. In advance of the board meeting, the Deputy Principal had agreed to circulate a training video outlining the key elements of Ofsted's Education Inspection Framework. The Deputy Principal also intended to publish in the new year a Curriculum and Quality Digest, giving an overview of College performance.

7.2. Governors' questions focused on the likely consequences for Morley of the Department for Education (DfE)'s consultation on reforms to FE funding and accountability, and of the Government's recent budget and spending review; on student and staff re-engagement with in-centre learning; and on the renovation works at the North Kensington Centre.

7.3. Responding, the Principal said that, following strong representations from the Association of Colleges (AoC), the Institutes for Adult Learning (IALs) and the adult education network Holey, the DfE (now led by a new Secretary of State) appeared to

have acknowledged that the societal benefits of learning could not be measured simply in terms of employment outcomes for students. He was hopeful that the second round of the funding and accountability consultation, due to open in January, would incorporate a broader definition of skills that would allow IALs to sustain their unique role.

- 7.4. In relation to the budget, the Principal commented that, while the promise of additional funding for FE was welcome, he had yet to work through the details of what had been offered, including how much of the proposed investment was new money and how IALs, and Morley in particular, might expect to benefit from it. He would report further at the December board meeting.
- 7.5. Reflecting on the return to in-centre learning, the Principal and other SLT members commented that the majority of students and members of staff were positive with many delighted to have the opportunity to re-engage directly; others, however, were more hesitant. In some cases this was because their individual experiences of the pandemic had made them particularly cautious; often, fears focused on the journey to and from work rather than on the time spent at work. It was important to recognise that those returning to work or study after a gap (particularly professional service staff) were returning to a very different organisation from the one that they had left in March 2020: the challenge for the SLT was to build confidence in that new organisation.
- 7.6. In answer to questions about the progress of works at North Kensington (which were the responsibility of the DfE, but which nevertheless had a considerable impact on the work of the College) the Principal explained that the decision to delay handover until 28 October would mean that some adult accredited courses would not begin until the second half of the term. The phasing of the project would, however, enable much of the renovated centre to be in use from the start of the College year. The delay was a consequence of the protracted negotiations between the DfE, the contractor and Network Rail over the summer.
- 7.7. Asked whether the current appearance of the Centre was discouraging potential students, the Centre Principal said that the daily number of learners was currently higher than at any time in the last two years (including the six months preceding the Covid-19 outbreak). Further steps were, however, being taken to improve signage and to make clear to passers-by that the Centre was open for business. He encouraged governors to visit and see for themselves.

The Centre Principals left the meeting at this point

8. Search and Governance Committee

- 8.1. The Board was pleased to receive the minutes of the Committee's recent meeting and its annual report, and was satisfied that over the year 2020-21 the Committee had effectively discharged its duties in accordance with its terms of reference.
- 8.2. Turning to the draft Governance SAR, the Chair thanked all the governors who had responded for their thoughtful and perceptive comments, which provided an excellent foundation for further improvement. In discussion, governors focused on three of the proposed areas for enhancement (AfEs), recognising that the fourth AfE – the further development of the Environmental Sustainability Strategy and the monitoring of its implementation – was at an early stage of development and would be receiving close attention in 2021-22 as one of the four cross-cutting themes of the Strategic Plan.
- 8.3. Acknowledging the need to engage still more closely with stakeholders – the first of the four proposed AfEs – as the College and its communities emerged from the

shadow of the pandemic engagement, governors agreed that it would be critical to understand how the world had changed for stakeholders in general, and students in particular. The QEP should focus on ways in which governors could listen more to students and communities; the Board Development Plan and Governor Engagement Programme already offered some opportunities and these should, if possible, be augmented.

- 8.4. Governors also recognised a need to engage more with College staff who were not only direct stakeholders but also a channel for student concerns. While governor engagement with staff should always be at a strategic level, more direct communication would help to provide governors with the necessary assurance that staff were well supported by their managers and that the College's stated commitment to staff well-being was reflected in practice. A staff governor asked for staff to be spoken to more often by governors – they sometimes felt that they were only spoken about.
- 8.5. The second AfE – promoting greater diversity in the Governing Body and the SLT – was also carried forward from 2020-21 and agreed to be a high priority. The Board Effectiveness Survey had shown that – after the responsibility for environmental sustainability – this was the governance responsibility that governors were least satisfied that they had discharged. Governors welcomed the emphasis on succession planning, but emphasised that this need to be accompanied by robust recruitment practices. The CPO told the Board that she was currently analysing recruitment activity with a view to identifying the most promising routes through which to attract diverse fields of applicants.
- 8.6. In relation to the final AfE, which focused on governance processes with specific reference to learning and teaching, the Clerk made clear that the AfE related to the ways in which governors gained assurance rather than to the enhancement of learning and teaching practices. Similarly, the low satisfaction score recorded in relation to governors' responsibility for fostering outstanding learning and teaching reflected governors' views of their own performance, not of the quality of provision. In discussion, governors agreed that their priorities should be to ensure that they were getting the right reports, engaging sufficiently with the learning and teaching process and actively seeking sources of assurance. By these means they would also demonstrate to Ofsted that they were providing effective challenge.
- 8.7. Concluding this discussion, governors agreed to approve the Governance SAR and to set the same targets for attendance and for satisfaction as in 2020-21.
- 8.8. The Board then considered the proposed review of governance and approved the terms of reference, with the inclusion of two further questions:
 - Do the Board and its Committees achieve the right balance between strategic decision-making and monitoring of operational performance?
 - Is there other good practice that we should consider adopting?
- 8.9. See confidential minutes
- 8.10. The Board also agreed to approve the Board Development Programme for 2021-22 and the appointment of James Ward as lead governor for careers education and guidance.

9. Finance, Resources and Fundraising Committee

- 9.1. The Board received and considered the minutes of the Committee's recent meeting, noting that careful attention had been given to the 2020-21 KPIs (to the extent that they were available) and to the year-end management accounts. The most notable features of the KPIs were the low delivery rate of unaccredited courses and the

related shortfall in fees. Positive variances included an EBITDA deficit some £750k smaller than had been budgeted and staff costs remaining at the budgeted level as a proportion of income.

- 9.2. The Financial Management Report for 2020-21 presented a similar picture, representing an improvement on the position reported to the Board in July. The final net deficit was greater, however, when non-cash items (including an increase in calculated pension fund liabilities) were introduced, as explained in the Committee's minutes (Item 9a, Minute 7.3). In answer to a question, the CFO said that a revised pension calculation had now been received from the Royal Borough of Kensington and Chelsea (RBKC) Pension Fund, which would result in a further increase in the net deficit shown in the final accounts.
- 9.3. Questioned about the large apparent overspend on administrative staff and other significant variances from budget in staff costs, the CFO explained that the former was due in large part to the inclusion of the adjustment for pension liabilities which only affected administrative staff. This had also had an impact on reported finance costs, as notional interest on pension scheme liabilities was charged to the income and expenditure account (again, as a non-cash item). A further discrepancy had arisen as not all posts had been correctly classified when the 2020-21 budget was prepared: this should not be a problem in 2021-22. When these factors were excluded, the overall level of pay costs was some £231k above budget, largely as a result of unbudgeted restructuring costs and costs related to the Coronavirus Job Retention Scheme; these were offset by additional income.
- 9.4. Governors were pleased to receive assurance that the audit of the 2020-21 accounts was going well; no material adjustments to the financial statements had been proposed or were expected.
- 9.5. The Board then went on to consider the indications of what the financial performance of the College might be in the current year, based on experience to date. The Chair made clear that the purpose of this discussion was not to develop a new financial plan, but to ensure that all governors were prepared to consider options that might be put forward at the December meeting, following detailed analysis by the FRF Committee.
- 9.6. The CFO told the Board that the indicative income projection was based on what he described as 'reasonably pessimistic' assumptions. The £1.2 million shortfall in funding body income assumed that some important delivery thresholds would not be met, and the £1.9 million shortfall in fee income that there would be no increase in Term One fees and that fees earned in Terms Two and Three would be 20 per cent short of budget. He reminded governors that the budget itself was built on a curriculum plan that incorporated a 20 per cent reduction in the volume of provision. These major shortfalls in projected income were offset (but only to a very small extent) by an increase in income from education contracts.
- 9.7. In answer to questions from governors, the CFO said that the indicative projection should not be considered a 'best case' or a 'worst case': while there was some downside risk, there were also opportunities to increase income and to reduce costs. While the SLT was not currently proposing a major restructuring (as made clear by the Principal – see Minute 7.1.2. above), there would be staffing adjustments if planned courses did not run; these were not expected to involve significant redundancy costs.
- 9.8. Asked what the impact of an increased loss in 2021-22 would be on utilisation of the ESFA's restructuring facility (RF), the CFO said that the current financial plan provided for a drawing of £858k in 2022-23; this was slightly more than the £800k in the merger financial plan that had been drawn up pre-Covid. If it were necessary to

make use of the RF in 2021-22, that would obviously restrict the College's ability to weather unexpected cash shortfalls in later years. He reminded governors, however, that the RF had been put in place to mitigate cash-flow risks over the merger implementation period, and the College should be ready to draw on it at any time if not doing so would prejudice the success of the merger.

- 9.9. The Board went on to consider the implications of the financial projections for the College's relationship with the ESFA. The Principal said that the ESFA had made clear at the most recent quarterly stock-take meeting in July that it understood the nature of the problems that the College faced. For the forthcoming 'strategic conversation' the College would acknowledge the scale of the challenges, but would also highlight the marketing activity that was now taking place and some promising results that were already visible. It would be important to describe the work that was in hand to review the curriculum in the light of improved market intelligence, and to recognise that this might mean some shift in the balance of provision – possibly towards areas that were already government priorities.
- 9.10. Governors welcomed this approach, noting that successful implementation of the merger was as important for the ESFA as it was for Morley, and encouraging the SLT to continue exploring a range of scenarios.
- 9.11. In answer to specific questions, the CFO said that while enrolment of 16-to-18-year-olds was growing, the numbers were still quite small, and the base against which this year's enrolments were compared was artificially low (because of the decision at the time of merger to discontinue some programmes that were at risk of not meeting quality targets). He acknowledged that there was potential for growth in this area, although the 'lagged funding' meant that the financial benefits would not be realised immediately.
- 9.12. The Principal also answered questions about the experience of other colleges. He said that while some General FE colleges were seeing increased enrolments, including from adults, on courses that directly enhanced employability, others were finding 16-year-olds harder to recruit because of competition from schools. London IALs were generally facing recruitment issues similar to those that confronted Morley.
- 9.13. Summarising the discussion, the Chair of the FRF Committee set out the main issues that the Committee would be considering at its meeting on 15 November, and underlined the importance that the Committee attached to the development of market insights and to marketing in general.
- 9.14. The Board then considered the Committee's recommendations in relation to policies and strategies. Following clarification that due diligence on suppliers, including credit checks, checks with referees and review of policies, was undertaken annually the Board agreed to approve the revised Supply Chain Fees and Charges Policy, and to approve the appointment of sub-contractors as recommended by the Committee.
- 9.15. The revised Governors' Travel and Subsistence Policy was approved without further discussion.
- 9.16. The Board also agreed to approve the revised Digital Strategy, which incorporated the points made by governors at the July board meeting and at meetings of the FRF Committee, subject to the references to Cyber Essentials accreditation in Objective 2 (and in Appendix 1) being changed to refer to Cyber Essentials Plus. In answer to a question, the CDIO confirmed that, although the accreditation target appeared only in the enabling stage of the strategy, a focus on cybersecurity would be maintained throughout the transformation stage

- 9.17. Governors were pleased to learn that the CDIO had now met the Board's Digital Adviser, who would be helping to deliver the Digital Transformation element of the Governor Engagement Programme, and who was expected to participate in the Strategy Development Session on 7 February 2022. Asked whether the Digital Strategy was sufficiently innovative to meet the needs of students in three to five years' time, the CDIO made clear that the cross-cutting theme of Digital Transformation would explore opportunities that went beyond the horizon of the Strategy; the first step, however, was to rationalise and simplify the use of digital tools across the College; without that, the objectives of the transformation stage (including embracing Education 4.0) would remain out of reach.
- 9.18. In further discussion, governors emphasised the importance of digital inclusion, which required access not only to suitable equipment (a problem for many students) but also to guidance in its use (which could present even more of a challenge). A reputation for effective digital inclusion could, however, give Morley a competitive edge.
- 9.19. Overall, improvements in digital infrastructure needed to go hand in hand with advances in access to digital learning (which did not just mean remote learning). For that reason, both FRF and QS Committees needed to monitor the implementation of the strategy. It should also be recognised that delivering the objectives of the strategy would require capital expenditure that would need to be given appropriate priority.
- 9.20. Concluding the FRF Committee's report, the Committee Chair assured the Board that the Committee had given careful consideration both to the Marketing Strategy (which the Committee saw as critical to the resolution of the financial issues that had been discussed) and the People Strategy. Both of these strategies were still in development, and would receive further attention at the Committee's November meeting.

10. Other business

A governor asked whether appropriate guidance was being given to staff on how to make use of the student induction video, which comprised a number of short modules; tutors were asked to select from these a small number appropriate to each class. The Deputy Principal undertook to ensure that no class was asked to give the 19 minutes and 36 seconds of learning time that were required to watch every module.

11. Date of next meeting

Confirmed as Monday 13 December 2021 at 4.30 pm at the Waterloo Centre.

The meeting ended at 7.00 pm

Martin McNeill
Clerk to the Governing Body

Confirmed as a correct record at the meeting held on 13 December 2021

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

SCHEDULE OF OUTSTANDING ACTIONS

Minute	Action	Responsible	By when	Progress
30 March 2020				
1.2	Find opportunity to thank Mr Seriki and Dr Ketteridge for their past service Update July 2021 Recognition event for all governors retiring after long service in 2019-20 and 2020-21 to be arranged in late 2021 or early 2022	Clerk	31 March 2022	
11.1	Produce annual safeguarding report on an academic year basis Update January 2021 Full annual report with year-on-year comparisons to be made available to be presented to Audit Committee in November	Deputy Principal	23 November 2021	
22 March 2021				
8.1	Investigate further opportunities for benchmarking of KPIs Update July 2021 (Minute 13.3) Benchmarking opportunities to be fully considered in setting of 2022-23 KPIs	Principal with SLT	June 2022	
8.5	Consider including 'percentage variance' column in management accounts	CFO	From November 2021	

Minute	Action	Responsible	By when	Progress
19 July 2021				
9	Provide details of support provided to students with LDD and steps being taken to close the achievement and satisfaction gaps between students with and without LDD Update November 2021 Information to be included in 2020-21 SAR	Deputy Principal	13 December 2021	
11.3	Consider RAG-rating KPIs for student recruitment and curriculum efficiency	Principal	15/ 29 November 2021	
12.2	Consider ways of making student disciplinary procedure more accessible	Deputy Principal	29 November 2021	
13.1	Consider alternative questions to be used in annual student satisfaction survey	Principal	29 November 2021	
1 November 2021				
4.3	Share results of People Strategy survey	CPO	13 December 2021	
10	Ensure consistent use of student induction video in line with guidance	Deputy Principal	13 December 2021	