

(Minutes 15 and 16 are to be found in the Confidential Business minutes for 27 January 2017.)

1. Attendance

- 1.1 **Present:** John Graystone (Chair), Gerry Jenson (Vice Chair), Rob Humphreys (Vice Chair), David Elis-Williams, Toni Schiavone, Chris Franks, Alison Hill, Viv Davies. Becky Watson Stubbs, Cathy Clark and June Jeremy were present to minute 14 only. The meeting was quorate throughout.
- 1.2 **Apologies:** Julie Cook, Steve Drowley, Cerys Furlong, Mark Isherwood, Catrin James, Hayden Llewellyn.
- 1.3 **Absent:** Rhys Barfoot.
- 1.4 **In Attendance:** Stephen Thomas (Clerk); Kathryn Robson (Deputy Chief Executive – minutes 4-15 only); Mark Baines (minutes 5-8 only); Nathan Jones (minutes 5-14 only).

2. Introductory information

It was reported that Michelle Kerswell, North Region Manager, was unfortunately unable to be present to talk about work in the region to governors, due to personal circumstances. The contents of her presentation would instead be circulated with the meeting's minutes.

3. Departure of Mark Isherwood as Chief Executive and proposals for interim and longer-term leadership arrangements

As confirmed to governors, staff and others earlier in the month, Mark Isherwood would be stepping down from his duties as Chief Executive on 31 March 2017, with 1 to 31 March a period when he would take his contractual annual leave allowance. **The Chair, following consultation with the two Vice-chairs, proposed that Kathryn Robson, currently Deputy Chief Executive, take on the role of Acting Chief Executive from 1 March 2017 until further notice. This was approved. It was also agreed that the Chair and two Vice-chairs conclude a contractual agreement with her on the Council's behalf; and that the medium-term arrangements for the Chief Executive's position be left to the new governing body to decide upon after its period of office commenced on 1 April 2017.** Kathryn Robson was then invited into the room, to be informed of this sequence of decisions.

4. Minutes of the Open Business at the Council meeting of 23 November 2016 and matters arising not on the agenda

The minutes of the Open Business at the previous Council meeting in Swansea were approved as a correct record. There were three matters arising:

Minute 3 – Staffing Structure Re-organisation; and situation with Acorn (Synergie) Training UK Ltd.: although there remained one post on the structure chart which had not been filled, the

organisation's financial situation had led the Senior Management Team to rethink the matter, and there was likely to be a change made to that particular role.

On the issue of Acorn Training, the timetable for a potential joint bid to Welsh Government had been postponed by 12 months to spring 2018, meaning there was less urgency in discussions about future collaboration with Acorn representatives. Mark Isherwood had held a meeting with intermediaries involved in a prior acquisition of training providers of this type. Kathryn Robson however was of the opinion that consolidation of the organisation's current activities needed to be prioritised, before a move to expand in this direction was contemplated.

Minute 4 – Welsh Government's Adult Community Learning Review follow-up: since the previous Council meeting there had been discussions with Welsh Government officials; possible future models had been piloted with two Further Education colleges; Iestyn Davies as Colegau Cymru's Chief Executive had been fulfilling a useful role as adviser and intermediary on the matter; and there was awareness that more politicians needed to become involved in discussion with us on the issue over coming months.

5. Coleg Harlech Site Update, January 2017

(Mark Baines and Nathan Jones joined the meeting for this and subsequent agenda items.) Kathryn Robson updated governors that, having looked at facilities at Ysgol Ardudwy - the secondary school in Harlech - it had been decided that they were not appropriate for the teaching of adult learners. Porthmadog was therefore a more likely future location for the course currently being run at the Coleg Harlech campus (though no venue had been finalised within the town), as it had become increasingly clear that the Wern Fawr campus in Harlech was not the correct location in the region (or indeed the town) for the needs of the demographic cohort to which we were pitching our courses. It was nevertheless underlined that the organisation would retain its responsibility for suitable education in that broader geographical area. In relation to that, discussions were continuing with University of Wales Trinity Saint David about continuing accreditation of course(s), of which the Curriculum Committee would be kept apprised.

Concerning land owned by the organisation, further evidence pointed to there being a need for the Astor Fields area to be pursued as a potential social housing building development; and that while the area above the Coleg Harlech car park could be considered for more expensive housing, the organisation's social purposes should mean that there were caveats placed on any building developments there too.

Mindful of the 2016 AGM motion on Harlech-related education provision and more general local sensitivities, there needed to be timely and open communication locally and nationally on all proposed moves in these directions. Governors were made aware that there would be additional (i.e. unbudgeted) consultancy costs of c£10,000 in 2016-17 relating to on-site needs and land/housing developments during the year.

The Council agreed the recommendations that the current curriculum provision at Coleg Harlech be relocated as of 1 September 2017; that the continuing curriculum offer should meet the needs of Harlech and the vicinity of Harlech; and approved the additional consultancy cost of £10,000 to be overseen by the Harlech Strategy Group and the Finance and General Purposes Committee.

6. Minutes of the Finance and General Purposes Committee meeting of 14 December 2016, Annual Accounts 2015-16 and Management Accounts to December 2016

David Elis-Williams brought governors' attention to the fact that the car allowance scheme had now been ended, though it had taken longer to resolve than desired by governors. On estates matters, he said that the timeline on deciding the future of the office in Llanishen, Cardiff had been pushed back, and that there was therefore no proposal to put to the Council on letting or selling the building at present. **He instead asked that the Council refer the issue back to the Committee to act on it at its March meeting. This was agreed, with the comment that should sale of the building be the preferred option/outcome, then the capital thus accumulated should be subject to further discussion by the Council, and might indeed be earmarked for future property needs.** On the same estates minute, there was discussion of Bryn Menai, Bangor's future. While the organisation was not wedded to a continued occupation/ownership of that building as such, its long-term presence in north-west Wales was confirmed and was not being questioned.

The Council agreed that the circulated investment and ethical investment policies should go to Regional Forums for consultation. The complicated, technical nature of the policies meant that it was hoped that certain governors would be present and willing to assist in explaining the issues alongside staff at the forthcoming round of Forum meetings. It was confirmed that the Keith and Alwyn Evans Funds fell outside these investment parameters, as they were older contributions and used for different, specific purposes.

The Council approved the externally audited Report and Financial Statements for the year ended 31 July 2016 (subject to page numbers being added), for final ratification at the AGM. Turning to the financial summary report and management accounts to December 2016, the main point was the worsening projected deficit, caused by reduced project-related income, increased costs linked to Harlech, and errors in calculating the staffing provision. The Senior Management Team had discussed the situation earlier that week with a view to improving the underlying position during the remainder of the financial year. Mark Baines expressed greater confidence than he had two months earlier that data and control systems were now both dependable and current (as shown by identification of the error on the staffing component). Toni Schiavone nevertheless wanted assurance that there was no 'deficit drift' in prospect, as had happened in 2015-16; on this point Mark Baines was adamant that appropriate actions were being taken to address matters and more details would be presented at the next Finance and General Purposes Committee meeting. David Elis-Williams thought that reassurance would be required then in particular that the revised staffing structure was within the general parameters of the cost-cutting intentions set out for it before restructuring; and that there was clear understanding of lines of authority for approval of virement or other changes to budgets within a given financial year.

7. Minutes of the Audit and Corporate Governance Committee meeting of 12 December 2016 and Risk Register for January 2017

No points were raised on the Committee's minutes. On the Risk Register, it was noted that a definitions key had been omitted. In the Chair's view, a case could be made for a number of the risks identified - notably those on financial planning, Brexit, the organisation's membership, and staff morale - to be scored higher on the scale after controls had been put in place than at present. Kathryn Robson drew attention to Risk 19 on learner outcomes data, mentioned in an e-mail to governors from Steve Drowley, and the fact that there had been a delay in signing the annual Certificate of Losses document for Welsh Government precisely because of the 2014-15 data spike on completion, attainment and success figures, which could not be fully accounted for. This had already

been discussed by the Quality and Learner Experience Committee and with the Chair of Audit Committee, and had recently been referred to the internal auditors for review. The specific brief for their work was in the process of being confirmed, and an update on progress would be given to the next Audit Committee meeting.

8. Strategic Plan 2016-19 and Operational Plan 2016-17

The printed version of the Strategic Plan was tabled, as reference copies for governors to take away. A limited print-run had been commissioned for our offices, the Welsh Government and for select others; alternatively it was also available on our web-site. The associated Operational Plan had been circulated primarily to demonstrate that the Senior Management Team, which had drawn it up, had established clear objectives to be delivered and was monitoring progress on their achievement monthly. The aim in the coming year was to combine the organisation's Operational Plan with the Quality Development Plan, to create a single document that made such key organisational matters more clearly accessible for all.

9. Minutes of the Quality and Learner Experience Committee meeting of 11 January 2017, Self Assessment Report and Demographic Data

There were no points raised on the Committee minutes. **The Self Assessment Report for 2015-16, which had received much comment and improvement at the Committee meeting, with expansion of the strengths and weaknesses referred to in it, was approved in its present form.** The one-page map presenting demographic data thus far in 2016-17 was perused. The stark under-representation of activity in Pembrokeshire and Carmarthenshire was once more noted. While our effective targeting of people/areas high on the deprivation index was good, our under-provision to Welsh language speakers was something that itself needed targeting (and checking whether the two trends were inter-related). References were once more made to unmet opportunities to provide courses in Welsh in a number of curriculum areas. The opening of Berwyn Prison, Wrexham was one example of potential expansion on that score (though educational provision at it had been the subject of an unsuccessful bid by us).

10. Delivery and Partnership Models

Nathan Jones was introduced as Head of Curriculum Delivery. As the issue of partnership delivery had aroused interest at the most recent Finance and General Purposes Committee meeting, it was considered important for all governors to understand more about it, based as it was on well-established patterns to be reflected in the Curriculum Plan (yet to be finalised). Both pre-merger organisations had the same educational vision, as now reflected in the Strategic Plan, but terminology in this sphere had perhaps been understood differently by the two, while accepting that the concerted challenge was to adapt provision to the evolving needs of learners.

Using a Powerpoint presentation and 4 tabled sheets showing examples of the variety of delivery models used, he gave examples of teaching models which focussed on their comparative cost (though that was not an absolute arbiter, as cross-funding between courses was acceptable). The comparative cost calculators tabled had varying financial outcomes for the tutor-led 'traditional' model; the partner/tutor-led model done in conjunction with a third sector group such as probation services, where there were fewer overhead costs and which represented perhaps 60% of the provision at present; the partner-led model which was even more cost effective if done correctly, and

represented c30% of overall provision; and the full cost recovery model (not a large proportion of delivery) in which the learner paid all the costs. 93% of teaching/tutoring undertaken by the organisation had some partner involvement in it.

As for quality, that always remained internally controlled, regardless of the type of delivery. While all four models had their part to play in the range being offered, correct apportioning of Guided Contact Hours to Subject Specific Areas, as defined by Welsh Government, would inevitably reduce the total of learners overall, as it ensured more effective payment for the amount of teaching undertaken, with growth in those priority areas which were Welsh Government Ministers' stated priorities.

The Curriculum Committee would look at this matter in detail at its February meeting, after this first airing of the key issues. It was important that it be discussed at Quality and Learner Experience Committee too. Questions were asked about on-costs to partner organisations, the relevance of these courses/priorities to the over-50 age group, and Welsh language provision through bodies such as Urdd Gobaith Cymru and Mentrau Iaith Cymru. Nathan Jones was thanked for his input at the end of the presentation.

11. Voluntary Movement Committee meeting of 25 January 2017

In a verbal report on the meeting earlier that week, use of the word 'lobby' (questioned at the previous Council meeting) had been discussed by the Committee and members felt it correctly reflected certain activities undertaken by the organisation. Some governors continued to advise caution in its use, in relation to the charitable remit and charity laws under which we were operating and which restricted lobbying by charities.

12. Proposal for a review of governance/Committee structure from April 2017

The Chair opened discussion on the item by stating that, with over a quarter of programmed Committee meetings either having been cancelled or inquorate in the past 18 months, the effectiveness of the current set-up had to be questioned. He also reiterated a view he had previously expressed, that there was too much operational involvement at times in governors' interventions.

Toni Schiavone noted that Search Committee was in effect a task and finish group; that Cymraeg a Chymreictod should not be a full Committee of Council because its role was to feed into a broad range of the organisation's needs on the Welsh language; and that there needed to be less centralisation and more regionalisation in decision making - alongside proving that 'the movement' was an effective force. With consistent, improved paper work (as had been seen at that day's Council meeting) a move to a more strategic approach and less emphasis on operational matters would naturally follow. Viv Davies said that what needed maintaining was a correct degree of scrutiny: the exact division of responsibilities between committees was not as important as the continuation of proper overseeing, and to perform that well he considered it essential to maintain the talents of co-opted members on committees.

Kathryn Robson was directed to bring further, evolved proposals on this matter to the next Council meeting.

13. Report on elections results and preparations for governor appointments

The situation relating to the 12 elected seats on the new Council was set out in a circulated paper. **As for the 8 appointed governor places which remained, the Council confirmed that the Search Committee under Rob Humphreys's chairing should proceed, with the active involvement of two of the recently elected governors (as previously agreed in principle).** The diversity criteria found in the organisation's Rules and Regulations were considered as important to the appointments process as the skills and expertise factors laid out in the paper.

14. Dates for the Diary

Council meeting: 12.30 – 15.30, Wednesday 29 March 2017: Coopers Yard, Cardiff (to which new governors were to be invited, to observe, as well)

Annual General Meeting: 12 noon – 3.00 pm, Saturday 8 April 2017: Porth Eirias, Colwyn Bay

Launch of Addysg Oedolion Cymru | Adult Learning Wales: 12.30 – 14.00, Thursday 27 April: Y Senedd, Cardiff Bay

Minutes 15 and 16 – Confidential Business – see under Confidential Business minutes.