



DRAFT COUNCIL MINUTES: Open Business

12 noon, Tuesday 19 January 2016

WEA YMCA CC Cymru, Coleg Harlech, St David's Hill, Harlech LL46 2PU

(Minute 10 is to be found in the Confidential Business minutes for 19 January 2016.)

1. Attendance and Introductory Matters

- 1.1 Present: John Graystone (Chair), Gerry Jenson (Vice-Chair), Becky Watson Stubbs, Rhys Barfoot, Viv Davies, Catrin James, Anne-Marie Rogan, Toni Schiavone, David Elis-Williams, Chris Franks, Cathy Clark, Val Williams. The meeting was quorate.
- 1.2 Apologies: Rob Humphreys (Vice-Chair), Steve Drowley, Cerys Furlong, Alison Hill, June Jeremy, Hayden Llewellyn, Claire Morris, Mark Isherwood (Chief Executive).
- 1.3 In Attendance: Mark Baines (Director of Finance), Stephen Thomas (Clerk); Jeff Amor (Health and Safety Co-ordinator – Items 1 to 3 only).

2. Appreciation, Welcome and Solidarity

The staff at Coleg Harlech, and in particular Mena Ifans, were thanked for making the guided tour that morning so effective and for other arrangements that had made Council members' stay straightforward. Rhys Barfoot and Cathy Clark were welcomed to their first Council meeting since becoming the two Learner Governors, thus completing the full 20-strong Council line-up. Best wishes and wholehearted supported were expressed to Mark Isherwood and his family.

3. Discussion of the Coleg Harlech site, including Harlech Steering Group update

Jeff Amor was invited to give a health and safety assessment thus far of his site visit to Coleg Harlech. He said that Paul Beswick (Facilities and Health and Safety Worker) was doing a good job in managing the properties on a day-to-day basis, but to get them fully H & S compliant and render them an asset rather than a liability presented a major challenge. An asbestos survey had resulted in an all clear, other than possibly minor presence of asbestos in some window sashes; but there was a possibility that the theatre building was suffering from 'concrete cancer' – a full survey and analysis was needed to verify that. As had been seen during the tour, there were significant problems with damp and water ingress in the higher floors of the Grade 2* listed Wern Fawr building: it was likely that access to the worst affected areas would be limited in future on H & S grounds. In Jeff Amor's view there was no danger to the public that arose from his assessment so far, and he would submit a full written report on completion of his visit. He was thanked, and left the meeting at this juncture.

David Elis-Williams, as Chair of the Harlech Steering Group, then brought members up to date on developments following initial work conducted by Clear Thinking, the consultants appointed to carry out a feasibility/business plan study on the site. A full report based on the evidence gathered would be presented to the Council's May 2016 meeting. However, early indications were that whereas the Steering Group's aspiration had been to re-establish residential education as the site's primary *raison d'être*, the direction being taken following early discussions with local, regional and national bodies was that there was not a market available to make that the central focus for the facilities, where remoteness was a problem on top of other challenges.

Attention was turning instead to what the area apparently needed most – namely serviced accommodation for tourism, plus a place to eat. Key local infrastructure was changing, with Pont Briwet bridge (road and rail) now re-opened, and a demolition order served on the neighbouring St. David's Hotel property. It was possible that the Coleg's buildings on the lower level could be demolished and replaced by 3* accommodation, while Wern Fawr offered 4* accommodation, plus a restaurant and the library. This could be achieved through creating a trading arm, or it could be done by leasing the land to developers. The theatre was a continuing problem, though – both the viability of the Theatre as an organisation, though it was about to digitalise its cinema projection facilities, and the sustainability of the theatre as a building. The arrangement of a £250 monthly contribution from the Theatre towards utility bills did not fully cover the real costs of maintaining that building. Chris Franks felt strongly that it was not correct to continue to subsidise the Theatre when there was such a significant deficit being projected for WEA YMCA CC Cymru, and added that digital projection was both a portable asset and not that significant in terms of a financial or technological input.

A question was asked about local engagement by the consultants and the Coleg. David Elis-Williams said that following recent discussion with CADW and others, the impression was that the priority was to boost the local economy and provide jobs: an educational facility with a theatre/cinema were not specific needs or current requests from local communities.

Those who were visiting the site for the first time were asked for their impressions following the tour. They were all overwhelmed by the scale of the properties, the differences in the buildings on site, and the fact that other land holdings in the upper part of the town and on its northern outskirts (not seen as part of the tour) added to the size of assets owned. However, the deterioration of Wern Fawr was troubling, and there was a certain disappointment that its rooms were clearly not custom-built for teaching purposes. Anne-Marie Rogan was nevertheless optimistic about the great potential and opportunities that existed for regeneration on the site: **she offered to become a member of the Steering Group, which was approved by Council.** The Steering Group's next meeting would be towards the end of February.

4. Minutes of the Open Business at the previous WEA YMCA CC Cymru Council meeting

The minutes of the meeting of 27 November 2015 in Coopers Yard, Cardiff were approved as a correct record of the Open Business conducted at that meeting. There were no matters arising.

5. Chief Executive's Update Report to Governors, January 2016

In Mark Isherwood's absence, John Graystone agreed to convey the key points raised on this paper to him. Much attention was turned on the DNA Definitive written section of the document (page 13 onwards). All found this opaquely jargonistic in style, some were perturbed that there was no sign given of what would be the end result of the consultants' involvement, and certain members feared that a lack of evidence to corroborate DNA's recommendations gave the impression that they were merely backing up assumptions that they had brought into the company health check process at its outset. While the concept of obtaining an external, objective overview of the organisation post-merger(s) was correct and timely, a number of members were disappointed that the content of DNA's report was wholly contrary to what they claimed to be true about WEA YMCA CC Cymru itself, and that the emphasis in it on de-bureaucratising/reduction of paper work ran counter to an organisation that depended so heavily on meeting targets and compliance with standards. There was concern over comments received by certain governors that the review process was causing

significant stress to some staff members in the organisation, and over the specific reference in the report to ‘punitive approaches to management’, which was felt did not reflect reality. The general feeling was that governors now needed to engage directly with the DNA consultancy: thus far only John Graystone and Rob Humphreys had met their representative, Paul Thomas, on one occasion. **It was agreed that the Chair and two Vice-Chairs request a further meeting with him as a matter of some urgency, to convey Council’s misgivings and hear more of his view on matters.**

Explanation was sought about a reference on page 9 of the report to a reclaim of £75,000 by Welsh Government for under-delivery of teaching hours by WEA Cymru (as was). The fact that YMCA Wales CC (as was) had over-delivered and thus offset the under-achievement meant that there had been verbal reassurance that there would be no clawback of the money, but it was a delicate matter which had not been set out on paper.

- a) ***Methodology for Naming the new Organisation and Update on the Governance Review Process:***
The naming of the organisation was now explained as emanating from the consultation exercise on its vision and mission. In reference to governance issues, Martin Price was in post as the consultant working for Social Business Wales on this matter. The proposal put to Council was to accept a revised timetable, meaning that the AGM in April 2016 would not be the place at which all new proposals would be voted upon, but rather that May’s Council meeting would receive final recommendations on the name, vision/strategic aims and governance proposals to be put to an Extraordinary General Meeting in June 2016. **This revised timetable was approved** (even though two governors would have preferred maintaining the previously outlined scheme of holding an EGM specifically for the re-naming of the organisation prior to the AGM). While the current name was not denied to be a hindrance, other Council members accepted that the extra time provided on this matter, with the involvement of more people and stakeholders, meant that there was endorsement for the Governance Group’s revised schedule of consultation and ultimate approval of the constitutionally-related changes. The involvement of students from University of Wales Trinity Saint David (UWTSD) in Swansea in consulting on issues to do with the organisation’s mission, though mentioned at the previous week’s Governance Review Group, had not previously been approved by governors. **It was agreed that members of the organisation should be added to the list of people to be consulted as part of that UWTSD process, and that the links with Martin Price’s work on governance should be more clearly spelt out in the Naming document too.**

6. Finance Report, Management Accounts for December 2015 and Future Financial Position paper

Mark Baines started by saying that information from the previous day’s meeting between Welsh Government and College principals had been more encouraging than feared in terms of future financial settlements. The talk was of the 2016-17 draft budget being the same as that for 2015-16, plus the possibility of extra money coming over from under-utilised Sixth Form funding. What remained unclear until details were in writing was whether additional money would be earmarked for a unit rate rise or to increase part-time education funding. Even with a better than anticipated settlement for the coming financial year, however, the cuts for successive years were likely to remain severe and there was a possibility of an incoming Government changing the Assembly’s budget, thus impacting on the 2016-17 funding settlement.

Moving on to the document, Mark Baines pointed out that five months into the year the projected deficit had risen to £173,000, largely due to certain income targets not being met through failure of income generation activities. It was also far from ideal that data system upheavals meant that

educational delivery levels for the current academic year were still largely unknown. A question was raised on the drop in endowment and investment income.

The Director of Finance then turned to the end of the future projections section and ran through the cost reduction and increased revenue options lists. **He was given Council's approval to start applying all of those listed options immediately, rather than wait for the subsequent financial year, when their impact would be greater.** David Elis-Williams reported on the previous week's Finance and General Purposes Committee meeting in Wrexham which had **proposed redeeming the mortgage on 9 Coopers Yard as a cost-saving exercise; this was approved by Council.** It had also sought more information on the efficiency of the income-generation team; and had been critical of the extra expenditure allocated to DNA Definitive - £15,000 for an additional three-month agreement to the end of March 2016 - without that having come either to the Committee or to full Council for consideration. **It was agreed that any proposed future financial commitments to that consultancy should come to Council first for approval.** On the income generation side, additional potential sources had been identified by the Committee – estate rationalisation, green energy income from the estate, Welsh for Adults provision, and European Social Fund grants. John Graystone wished to add the fact that work-based learning not being taken up by FE colleges provided WEA YMCA CC Cymru with a good opportunity, and that the creation of a national ACL body remained a potentially positive aspect for us.

The Committee had also expressed growing impatience over the lack of resolution of the car allowance issue; Chris Franks went further than this, stating that continued negotiation on that matter was unacceptable in his eyes, and that senior management should treat with urgency a co-ordinated overview of pay and conditions – pensions rationalisation, pay settlements, sickness benefits as well as the car allowance matter, seen as one overall priority review rather than as individual measures to be taken by the Human Resources team.

There were also strong words expressed about the centrality of clearing up the backlog on student data entry, which had potentially deleterious implications for compliance, for future financial security and for informed planning. The importance of having realistic income generation figures in future was also underlined.

7. Risk Register for January 2016

The contents of the Risk Register had been much discussed in topics previously on the agenda, and the highest priority risks already commented upon. David Elis-Williams felt that certain points should concentrate less on process and more on outcome. **It was agreed that the Coleg Harlech site should be added to the Register, and that the residual risk rating for income generation, for processing student data, and for investment in IT resources should be re-calibrated to become red in colour too.**

8. WEA Cymru Quality Development Plan

Gerry Jenson introduced the paper, which had been agreed should come to full Council for information and had recently been shared with other relevant Committees, for them to check those targets relevant to their own scrutiny work. The changed format in which 'operational' and 'governance' monitoring responsibility on objectives was divided into separate columns increased the document's usefulness.

The key issue, where much of the progress column was marked as red, related to delays in student data recording and implementation of a comprehensive Management Information System which was a requirement for confidence on student outcomes. The merger, and the application of a shared data system – based as it was on an upgraded form of the former WEA Cymru system – had caused problems. However, it was pointed out that various personnel within the organisation had responsibilities for this key component but did not fully know where matters currently stood in terms of resolution: that was unacceptable. **A written report on this matter was requested at the March Council meeting, as some degree of reassurance was required for governors on this major priority for the continued effective functioning of the organisation.**

9. WEA YMCA CC Cymru Committee meetings

- a) *Audit and Corporate Governance, 3 December 2015* – Chris Franks raised the concern mentioned in minute 4 about the work of DNA Definitive in terms of audit controls: the Committee had been concerned about the potentially destructive influence that DNA was having through the work it was carrying out. **John Graystone agreed to add this to the points raised elsewhere in terms of DNA's work, which would be aired with its Head, Paul Thomas.**
- b) *Finance and General Purposes, 15 January 2016* – David Elis-Williams added one point to what had been said under minute 6; a request by the Committee that the Senior Management Team find a volunteer from among the governors to be a new 'champion' of health and safety matters.

Minute 10 – Confidential business – see separate minute.

Dates and Locations of remaining Council Meetings in 2016

- 13.00 – 16.00, Tuesday 22 March: Llanishen office, Cardiff (to include additional morning bilingual awareness session from 9.30 a.m. – 12.30 p.m.)
- 12.00 – 15.00, Tuesday 17 May: Caia Park office, Wrexham
- 11.00 – 14.00, Monday 11 July: Coopers Yard office, Cardiff