

*(Minutes 11 and 12 are to be found in the Confidential Business minutes for 23 November 2016.)*

## 1. Attendance

- 1.1 Present: John Graystone (Chair), Gerry Jenson (Vice Chair), Rob Humphreys (Vice Chair), David Elis-Williams, Toni Schiavone, Chris Franks, Steve Drowley, Viv Davies, Julie Cook; Catrin James (to minute 6 only). Becky Watson Stubbs, June Jeremy and Mark Isherwood (Chief Executive) were present to minute 10 only. The meeting was quorate throughout.
- 1.2 Apologies: Cathy Clark, Alison Hill, Hayden Llewellyn.
- 1.3 Absent: Rhys Barfoot, Cerys Furlong.
- 1.4 In Attendance: Stephen Thomas (Clerk); Kathryn Robson (Deputy Chief Executive – to minute 10 only); Mark Baines (items 5 to 8 only).

## 2. Council Membership and Procedural Matters

It was reported that Val Williams had tendered her resignation as a governor the previous week, as a result of additional work responsibilities for her at Sylfaen Cymunedol Cyf. She was thanked for her contribution over the previous 15 months, and on the Shadow Board and YMCA Wales CC Board prior to that.

Stephen Thomas pointed out that both Rhys Barfoot and Hayden Llewellyn had missed a significant number of successive Council meetings. Their position was discussed at some length. **It was agreed that they should both remain on the Council, with renewed encouragements to them to attend.**

A re-stated declaration of interest form was filled in and signed by those governors present.

## 3. Minutes of the Open Business at the Council meeting of 22 September 2016 and matters arising not on the agenda

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

**Minute 3 – Staffing Structure Re-organisation:** there remained 3 posts that had not been filled internally through slotting in processes, and which would therefore be advertised externally.

**Minute 5 – EGM at Wrexham on 5 November – statutory and governance issues follow-up:** there had been substantial majorities in favour of all proposals put before the Extraordinary General Meeting earlier that month, with the tenor of the meeting very different from that at Llandrindod Wells some four months earlier. Members, Welsh Government Ministers, Companies House and the Charities Commission had all been informed of the outcomes, and authorisation had been sought from the latter two for the name/constitutional changes. Elections would commence in December for the 12 seats to be filled by various electoral colleges. Stephen Thomas confirmed that certain members of

the organisation would have more than one potential voting opportunity. There would then follow openly advertised recruitment for appointments to the 8 other seats in early 2017. Governors discussed how best to be mindful of the views of the newly elected governors in that appointment process, while maintaining transitional powers within the present Council, so as to ensure that it was responsible for handing over authority to a full governing body with a correct range of skills. Both continuity and transparency would be required, with the Search Committee playing a central role in the process.

**Minute 9 – Discussions with Acorn (Synergie) Training UK Ltd.:** further discussions had occurred, with options continuing to range along a continuum from stronger collaboration, to submitting joint funding bids and effective partnership, to the acquisition of Acorn by Addysg Oedolion Cymru / Adult Learning Wales. Acorn's strengths were in apprenticeships and adult employability. Discussions would occur next with Cardiff and Vale College's representatives and others associated with its recent acquisition of the training provider ACT. There would also be other meetings with Acorn to look at staffing, pension and property matters.

#### **4. A Review of Adult Community Learning in Wales – Welsh Government publication, October 2016 (Paper P 01)**

The organisation had given evidence to the consultants who had undertaken this review for the Welsh Government: mention of a 'hub and spoke' mechanism within the document was a reference to Addysg Oedolion Cymru | Adult Learning Wales. Continuous applying of influence was required of us, through engaging with National Assembly Members in the coming period and ensuring a strong presence on the reference group that was being established for the consultation phase that was about to begin on the issue.

Certain governors believed that the risks to the organisation were higher than set out in the covering paper: while it was unlikely that we would be entirely excluded from playing a part in the new set-up, it was a possibility. With strong lobbying likely by unitary authorities for a regional partnership model, linked to FE colleges, that would prove to be a difficult alternative set-up for us to break into. There might also be a victorious consortium for the 'hub' option that was not national, as had happened with the Welsh for Adults provision, or a variegated pattern around Wales, as alternative conclusions. It was felt essential that we had solutions mapped out for various potential scenarios, where we were as central as possible in all cases, so proactively strengthening our position. This would not necessarily be easy, as local authorities would likely see us as a predatory force in certain regions.

It was asked whether the staff restructure, which had foreknowledge of this Review, meant that we had the correct staff in the right places to react to this challenge. Mark Isherwood and Kathryn Robson answered that both the Strategic Plan and the Operational Plan had priorities which pointed in the right direction in these terms: these documents would be before the January 2017 Council meeting for information.

John Graystone summarised by saying that the answer given to Andrew Clark in Spring 2016, that we were 'up for the challenge' in this field, remained true. There would be plenty of competition and some politicking necessary, where we had to involve our friends in assisting us. Existing levels of quality needed to be maintained throughout any change process. The enormity of the matter was such that if we did not fully or partially achieve this goal, it would soon become unclear what future there could be for the organisation. **An update on the issue would be provided at the January 2017 Council meeting.**

#### **5. Coleg Harlech Update, November 2016 (Paper P 02)**

Mark Baines joined the meeting for this and the following three agenda items. Mark Isherwood highlighted the key points in the report, including the improvement in relations with the Theatr Ardudwy board (viz. the creation of a joint steering group) and changed perceptions in dealings with them. David Elis-Williams stated that officers were to be thanked for this improved state of affairs, and for reacting to the fact that things had moved on significantly since the Clear Thinking report. It was conceivable that we would end up in the same position relating to the theatre building's future, but via a more convoluted route than outlined in that report. The risks and opportunities undoubtedly remained for the organisation as a whole, not merely for the Harlech specific operation.

Certain governors asked whether this really represented moving ahead, as many of these same points had been unresolved issues for a number of years. Was the time approaching when the most suitable, if radical, option would be to walk away from the site and accept the political flak that would inevitably follow, for all the appropriate and understandable historical and emotional reasons? The fact was that it remained a significant millstone for the organisation, in financial and other terms. Why not 'donate it to the nation' as a gift to the National Trust, Cyngor Gwynedd Council, or another public entity?

David Elis-Williams pointed out that as it was a site that we owned, with legal obligations that were all the greater for Wern Fawr being Grade II\* listed, the onus remained on us whether there was education occurring on the campus or not. Passing on the asset to others would see the library endowment of £750,000 disappear, and in any case the liabilities that currently existed would not be easy to pass on. Hence the time consuming nature of seeking a viable future for it, together with an annual loss of £100,000 on the property, were likely to remain on the agenda for some years to come. Others – Bangor University, or the St. David's Hotel developers – might be considered possible interested parties; but the former had clearly said 'no' earlier in the year, and the latter had expressed interest for a decade already without making any significant headway on their own property. It was noted that there was a significant difference between the prospect of a 'national, public' donation, and a private purchase on which investors could make a significant and rapid mark-up, as had been seen in a number of recent Welsh Government land/building deals. The latter had to be avoided at all costs.

Kathryn Robson said that, while the paper had been couched as a transition strategy rather than an exit strategy, the direction of travel on the matter was clearly towards the latter. Members at the AGM and the Council itself had wanted continued commitment to an educational presence on the site, but advances were being made to maintain such within the town rather than on the site, thus remaining true to the motion that had been passed.

It was proposed that the organisation's Harlech-based educational provision be moved to Ysgol Ardudwy, the town's secondary school, for the 2017-18 academic year, possibly with Theatr Ardudwy moving to the same physical site. Branding such as 'The Coleg Harlech Centre' could be included in the school buildings, to reflect its antecedents. **This line of potential action was approved for pursuit.**

## 6. Management Accounts for Financial Year 2015-16 (Paper P 03)

Mark Baines introduced the figures: the forecast made at May's Council meeting, together with the voluntary redundancy costs approved there, had suggested a deficit of c£500,000. That was indeed what the end of year result showed, with a £490,000 deficit. However the underlying situation was worse than it seemed, as the bottom line had been somewhat artificially improved with the receipt

of a substantial legacy, and the expunging of a previous year's possible clawback from Welsh Government. Without those one-off occurrences, the overall loss for the year would have been over £900,000.

Chris Franks said that we had to repay Welsh Government's consideration towards us by maintaining high organisational standards. He asked why, under learner fees, the cost reduction measures had not been effective during the year itself. Mark Baines answered that, with oversight provided by the Finance and General Purposes Committee, the organisation had reacted to the problem through the staff restructure in part, and that the positive effects would be more evident in 2016-17. Chris Franks also noted the mounting totals for 3 consultancies during the year, and feared that that pointed to lack of control and inadequate compliance with the systems laid down.

David Elis-Williams accepted those points, but felt it had been an exceptional year of distractions caused by merger and restructure: one corollary had been less focus on financial control by staff, compounded by lack of confidence and inaccuracy in the management information system (MIS) data. Degrees of confidence in forecasting and controls had improved as the year progressed, but it was true that the end of May figures had still not reflected correct predictions for the remainder of the year. He acknowledged that the lack of certainty on tutor and course costs, hire and accreditation fees was in its way more worrying than the 'unknown unknowns' encountered during the year. As a result, the Finance and General Purposes Committee was concentrating on the following undertakings for 2016-17: ensuring budgetary discipline; compliance with the controls that existed within institutional systems; some risks allowed on income-generation; and decisions on any variances to be taken only at Committee level.

Some governors felt a certain continuing lack of confidence about the situation. This was despite regionalisation of staffing and responsibilities, further staff training, a unified MIS and greater scrutiny from the Senior Management Team which between them should provide reassurance that things were under greater control. A better grip on mechanisms and data, ensuring that the previous year's loss categories were under control, meant that this year's informational summaries to Council should provide greater assurance.

## **7. Revised Financial Summary Report to 30 September 2016 (Paper P 04)**

In continuation of the previous minute's theme, Mark Baines was of the opinion that the 2016-17 budget was more accurate, with the Senior Management Team more on top of things, than the previous year. The forecast modest surplus was the result: he could not however give an assurance at this stage that that would indeed be the outcome for the year. He acknowledged that there were no student data included here, as they had only been recorded from mid-September onwards, at the start of the new academic year. Governors underlined the importance of having full confidence in both staff and systems giving accurate information to the Finance Department. There could be no mavericks: if that required a cultural shift then so be it, as reliability of information was of primordial importance.

## **8. Risk Register for November 2016 – Overview of Key Points (Paper P 05)**

The revised format of the report was largely down to input from John Graystone. Risk number 4 on data referred to the previous two items on the agenda. The new format was considered useful, and any specific points on content should be conveyed to Mark Baines by governors, individually.

#### **9. Minutes of WEA YMCA CC Cymru Committee meetings, September to November 2016**

The Council received minutes from the meetings of Voluntary Movement Committee (29 September), Finance and General Purposes Committee and Staffing Committee (both 20 October - part jointly convened, part separate), and Quality and Learner Experience Committee (2 November).

It was considered that Voluntary Movement Committee minutes should not refer overtly to 'lobbying' (as the September ones did) and should mention 'policy initiatives' or the like instead. David Elis-Williams expressed the continuing concern of the Finance and General Purposes Committee that the block car allowance scheme, which it had been understood would be phased out at the time of staff restructuring and the arrival of new contracts, was still extant with no trade union bargaining position clear on it yet. It was however pleasing to know that management was now pushing for its prompt resolution. On Quality and Learner Experience Committee matters, it was reported that Estyn was not conducting its inspection visit later that week as planned, and that this would now occur in mid March 2017.

#### **10. Dates and Locations of Council Meetings in 2017**

14.00 – 17.00, Friday 27 January 2017: Conwy Business Centre, Llandudno Junction  
12.30 – 15.30, Wednesday 29 March 2017: Coopers Yard, Cardiff

***Minutes 11 and 12 – Confidential Business – see under Confidential Business minutes.***