

MARY WARD SETTLEMENT INTEGRATED BOARD MEETING
Minutes of the meeting held on
Tuesday 11th December 2018 at 6.15pm
Room 14, 42 Queen Square, WC1N 3AQ

Present:	Frances Bates (Chair – MWS/MWLC/BFS) Stephen Carlill (MWS) Nadine Cartner (MWS/MWLC/BFS) Graham Collins (BFS) Gerard Darby (MWS) Kim Duong (MWS/MWLC/BFS) John Edwards (MWLC) Heather Heathfield (BFS) Andrew Peck (MWS/MWLC/BFS) – Chair of Audit & Risk Beatriz Montoya (MWS/MWLC/BFS) Raja Nadarajan (MWLC) Kate Watters (MWS) Andrea Williams (MWS)
In Attendance:	Suzanna Jackson (Warden/CEO) Juliet Woodford (Head of Finance and Resources – HofFR) Allister Duncan (Assistant CEO) Sue Craggs (Head of Adult and Community Education – HACE)
Clerk:	Beverley Campbell

Agenda Item		Action
1.	Apologies for absence: were received from Austin Hill, Alex Horsup, Jess Northend, Paula Twigg, Margaret Wheeler, Emma Wyatt	
2.	Declarations of interest: None	
3.	Minutes of the meetings held on 30th October 2018 were approved.	
4.	Matters arising: None	
5.	<p>Chair’s Report</p> <p>5.1 The Chair reported on meetings and events she had attended since the last IB meeting</p> <ul style="list-style-type: none"> • Moderation Meetings – a number of trustees and SMT were recently involved in the moderation of the Self-Assessment Report. The Chair thanked all those who had contributed to the process • Governance & Nominations Committee – a meeting was held on 28th November. There are proposed changes to Committees and the Terms of Reference. The Clerk is drafting the minutes, which will be available in the New Year • Fundraising – Friends & Alumni Group to be launched on Monday 25th March at Canary Wharf. The event will be the start of the Capital Fund Appeal. Sian will be sending out invitations to all those who have been involved in both Settlements and the MWLC over the last 6 years. The Chair will be approaching trustees for pledges of support and ideas for 	

	<p style="text-align: center;">who would be keen to get involved in the Group</p> <p>5.2 The Chair announced that MWS were shortlisted to Stage 2 of the Skills for London Capital Bid. The Warden added that MWS are now required to put together a comprehensive bid to be submitted by Monday 21st January. A significant amount of work will have to be done to meet the deadline, as a result it is proposed to cancel the Board Strategy Day scheduled for Saturday 12th January. The work to be carried out includes: providing a much fuller brief; detailing the partners involved and working with the IALs; actual plans for the building, including planning details. £80m is available in the total fund, MWS is seeking £5m.</p> <p>5.3 It will still be necessary for the Board to meet to discuss and agree the proposals outlined in the bid. It was agreed that the Clerk would create a Doodle Poll and circulate the link to trustees to identify the best evening to meet week commencing 14th January.</p> <p>5.4 In response to a question on the timescale, the Warden stated the following:</p> <ul style="list-style-type: none"> • Submission of Stage 2 Bid – 21st January 2019 • Decision on Bid – expected March 2019 • Between Jan-March may be further dialogue • Announcement of Successful Bids – April 2019 • Funds released – May 2019 	Clerk
<p>6. 6a</p>	<p>Adult Education Report Self- Assessment Report (SAR)</p> <p>6.1 The Head of Adult & Community Education (HACE) began by explaining the process of compiling the SAR. Each Department within Adult Education completed a brief Self-Assessment template for each subject area delivered. This description formed the basis of the introduction to each area. The Self-Assessment template used is in line with the OFSTED Common Inspection Framework. Once the initial assessment has been completed moderation meetings are held with a team comprising academic staff and trustees who scrutinize the findings to agree the recommendations on each of the gradings. Four moderation meetings are held to agree the final report.</p> <p>6.2 The HACE stated that the Board were required to approve the recommended grade for each section and give overall approval to the report.</p> <p>a) Outcomes for Learners – Trustees who attended the moderation meeting in this area were invited to comment. Andrea stated that there was good discussion and the examples used as evidence were properly scrutinised. Andrew agreed stating that there was constructive interaction in the process with SMT. The evidence base was useful in showing the progress towards improvement made year on year. Approved Grading of Good</p> <p>b) Personal Development, Behaviour & Welfare – The initial grading proposed was good, however as a result of the moderation meeting this was upgraded to outstanding. Andrew stated that there had been</p>	

	<p>a lot of discussion on grading as outstanding, but the evidence was clear on the very good positive outcomes that were achieved. The HACE added that this section is one where there is the opportunity to provide evidence on the outcomes, which have got better and better over time. The Warden stated that this section contained the core of the ethos that makes MWS what it is in terms of delivering adult education and providing a solid base for students to progress. The section illustrates how the Common Inspection Framework is appropriately interpreted for how things are working at MWS.</p> <p>Approved Grading of Outstanding</p> <p>c) Quality of Teaching, Learning & Assessment – Nadine commented that there had been detailed analysis of the data which gave a good picture of the level of teaching and learning, which is solidly good. There are some areas of outstanding teaching. The challenge is to increase the amount of teaching that is outstanding. There is a clear strategy on how to move people from good to outstanding through the personal development of tutors. The HACE stated that the aim was to raise the quality of teaching and learning to outstanding, by using the models of good practice in the outstanding to inform the good to move forward. Work has already started to encourage personal development, however, it will take some time for the results to come to fruition.</p> <p>Approved Grading of Good</p> <p>d) Leadership & Management – Following the discussion at the moderation meeting it was recommended that this section should be graded good, despite evidence of some areas as outstanding. It was acknowledged that this section could not be outstanding if the quality of the teaching and learning was not graded outstanding or there the evidence suggested there is significant progression towards achieving an outstanding grade. Approved Grading of Good</p> <p>e) Overall Effectiveness – The recommendation was an overall grade of good. Approved Grading of Good</p> <p>The HACE explained that from this report a Quality Improvement Plan would be produced, identifying objectives and targets for the 4 sections. The SAR will also be uploaded to the OFSTED website, who will review the details and use the report as the starting point for a future inspection visit. As the document is on the OFSTED website it will be available to the public.</p>	
<p>7. 7a</p>	<p>Audit & Risk Committee Annual Report from Audit & Risk Committee</p> <p>7.1 The Chair of A&R presented the annual report to the Board. The following points were noted:</p> <ul style="list-style-type: none"> • Alan Humphreys stood down as the external member of the Committee in November 2018 • Haines Watts, the internal auditor, have provided an interim report (since they were only appointed during 3rd quarter, so yet to complete a full year). Based on the audit work completed to date, their opinion is that the Board can take adequate assurance that the controls upon which the organisation relies to manage risks material to the 	

achievement of the organisation's objectives are suitably designed and effective.

- Review of Audited Accounts 2018 – The A&R Committee met on 13th November and 6th December. The preparation of the financial statements was complicated this year by discussion on the treatment of the disposal of the profits from the sale of 10GT and the leaseback arrangement. There were two options, as noted in the Committee's report, considerable debate about the appropriate way to reflect the underlying commercial reality in the accounts. Advice was provided by Buzzacotts on the appropriateness of being able to apply a true and fair override to the formal requirements of FRS102 and the disclosures that needed to be made if it were applied.
- Having discussed the matter with the SMT and Buzzacott and taking into account the advice of Buzzacott, , the Committee has recommended that the Board
 - Approve the Settlement's Annual Accounts for the Year ended 31 July 2018;
 - Take note of the Buzzacott's Management Letter and its Financial Statements and Regularity Audit Reports;
 - Approve the Letters of Representation required by Buzzacott for the purpose of expressing their opinion on the Financial Statements

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Buzzacott Post Audit Management Report

7.3 The Head of Finance & Resources (HofFR) presented the report from Buzzacott, which confirmed its audit opinion on the Settlement Accounts. The observations of risks listed in Appendices 1 & 2 were reviewed during the course of the audit process and there were no outstanding issues of concern.

7.4 In response to a question on the bad debts policy, the HofFR stated that in regard to MWLC there can be a long time before a case is closed and billing income received. This is identified through the Work In Progress (WIP) figure, however the current case management system is not as effective as it could be in calculating the level of outstanding income owed. Further work is to be done to improve this situation

The Post Audit Management Report was received

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Annual Risk Management Report 2017-18

7.4 The Chair of A&R stated that the format of the Risk Register was unchanged, however the way the risks were structured had been revised. Previously all the operational areas had been combined into a single list. It is now proposed to make a clear distinction between Settlement-wide risks and the risks for each of the service delivery areas. The most significant risks have not changed, but it is clearer as to whether an identified risk is a Settlement-wide risk or relevant to a specific service.

7.5 It was noted that a new risk had been added to the register in respect of Queensway House. The primary risk is the timing and cost of the refurbishment work. The risks are currently believed to be manageable, but,

	<p>until the works actually start it is difficult to assess what further issues may arise.</p> <p>The Annual Risk Management Report was noted.</p>	
8. 8a	<p>End of Year Accounts:</p> <p>Accounting Treatment for 10GT Sale and Leaseback</p> <p>8.1 The Chair explained the complexity in finalising the accounts due the need to agree how to treat the gain from the sale of 10GT, so as to give a true and fair view in the accounts. FRS102 rules do not allow MWS to present the information as shown in the accounts without making a disclosure as to why MWS has used this approach.</p> <p>8.2 The Warden stated that the financial statements presented to the Board over the year gave a misleadingly poor impression of the financial strength of the Settlement. The explanation as to why the accounts did not show the underlying commercial reality has had to be made at each meeting throughout the year to remind the Board how the management accounts should be interpreted. The proposed treatment allows MWS to defer part of the profit to cover the leaseback costs over the next four years, and reflects more appropriately, the decision the Trustees made in accepting the sale and leaseback arrangement for 10GT</p> <p>8.3 In response to a question regarding how the lease premium was calculated the HofFR explained that the figure of £1.25m represents 2 years' worth of rental costs, which reflect the time that it might be expected to take to secure new tenants plus an element of investment in making the property fit for tenants. The HofFR confirmed that Buzzacott had reviewed the methodology and were happy to approve the approach.</p>	
8b	<p>Settlement & Adult Education Accounts 2017/18 and Letter of Representation</p> <p>8.4 The HofFR presented the details of the Settlement Accounts, which included the accounts for the Adult Education Centre. Specific reference was made to the True and Fair view on page 44 and the Disclosure note on page 51. Pages 33-37 show the presentation of the group accounts and the accounts for Adult Education.</p> <p>The Settlement & Education Centre Accounts and LOR were approved</p>	
8c	<p>Legal Centre Accounts 2017/18 and Letter of Representation</p> <p>8.5 The HofFR presented the accounts for the Legal Centre. A question was raised in regard to the statement to have 6 months reserves. It is unlikely that MWLC will achieve this over the next four years. It was proposed that this be revised down to 3-4 months as a more realistic target.</p> <p>8.6 The Warden suggested that the matter be reviewed by the Finance Committee. The Committee will then propose to the HofFR an appropriate level of reserves.</p> <p>The Legal Centre Accounts and LOR were approved</p>	HofFR

8d	<p>Blackfriars Accounts May-July 2018 and Letter of Representation</p> <p>8.7 The HofFR explained that the accounts for BFS relate the 3 month period since the merger. In response to a question on the level of petty cash stated in the accounts and the comment that it was not possible to fully account for the expenditure, the HofFR stated that this was due to the difficulty of finding complete records.</p> <p>The BFS Accounts and LOR were approved</p>	
9	<p>Finance Matters:</p> <p>Q1 Management Accounts to 31st October 2018</p> <p>The HofFR presented the details of the quarter one management accounts. The following points were noted:</p> <ul style="list-style-type: none"> • The decision on the treatment on the lease premium in the 17/18 accounts will have an impact going forward on the presentation of the budget. The relevant revisions will be made to the management accounts for Quarter 2 • The fee income forecast for Adult Education has been revised. The original estimate was based on an optimistic assessment of the amount of space available at BFS to deliver classes. The fee income is reduced by £100k, this is offset by reduction in expenditure of £85k • The Legal Centre showed a higher deficit on the quarter than the budget estimate. This is due to costs of staffing arrangements to expand legal aid provision into Newham and Southwark • The revision to the budgets means the Legal Centre is now forecasting an operational deficit of £90k (previously £66k); the Adult Education Centre is forecasting an improved position of an £84k deficit. Overall the Group's forecast deficit for 2018-19 is reduced from £383k to £183k <p>The Q1 Management Accounts were noted</p>	
10. 10a	<p>Legal Centre Services</p> <p>Report on Current Services</p> <p>10.1 The Warden highlighted the following points from the Report:</p> <ul style="list-style-type: none"> • Legal Aid Contracts – the new service at Community Links (Newham) is running well, with a high level of demand. There is less demand at Blackfriars. There will be further promotion of the service • The Legal Aid Agency have reviewed the arrangements at Community Links and are satisfied to accept this as a permanent base for MWS in Newham. There is a need to upgrade the level of telephone advice provided • The Board acknowledged the impact of the outcomes for clients highlighted in the case studies <p>The Legal Centre report was received</p>	
11.	<p>Warden's Report</p> <p>11.1 The Warden referred the Board to the details of her report. The following points were noted:</p> <ul style="list-style-type: none"> • Liz Ranger has been appointed the new Director of Health, Wellbeing & Cultural Inclusion at Blackfriars Settlement. Liz will be starting on 	

	<p>Monday 7th January 2019.</p> <ul style="list-style-type: none"> • Consultation continues on the proposed move to Stratford. A questionnaire to obtain feedback from students, which promoted some students to contact the local press and an article on the Settlement moving out of Camden was published in the Camden New Journal. The article is generally a positive one. 	
	Item 11.2- 11.3 Confidential	
12.	Any Other Business: None	
13.	Confidentiality: Item 11.2-11.3 confidential	
14.	Date of Next Meeting: 12 th March 2019	
	The meeting closed at 20:13	

Beverley Campbell
Clerk
December 2018