

CAPITAL CITY COLLEGE GROUP BOARD: 14th FEBRUARY 2019

MINUTES

PRESENT	Alastair Da Costa (Chair), Roy O'Shaughnessy (CEO), Dr Leslie Brissett, Keith Brown, Mel Brookstone, Sarah Ebanja, Keyan O'Donnell, Professor Anthony Smith, Amelia Sussman, Fiona Thompson, Lord David Triesman, Maarten Zuurmond
IN ATTENDANCE	Claire Collins (Group Director, HR and OD), Stewart Cross (Director of Integration & Information, Interim Group Finance Lead), Graham Drummond (Clerk), Graham Cooper (Deputy Clerk), Andy Forbes (CIC Principal) [items 1-4], Gary Hunter (WKC Deputy Principal) [items 1-4], Kurt Hintz (CONEL Interim Principal) [items 1-4], Derek Wilkinson (Group Head of Health & Safety) [item 1 only]
APOLOGIES	Shane Chowen
DECLARATIONS OF INTEREST	None

1. HEALTH AND SAFETY

Action

The Board received a presentation on Health & Safety from the Group Head of Health & Safety, with a focus on external factors, progress in relation to the management of accidents and incidents across the Group and the responsibilities of Governors. The Board noted:

- With regard to the external context, HSE annual statistics for 2017/18 showed that workplace injury and work-related ill-health had been broadly flat since 2011/12. Work-related stress, depression and anxiety accounted for 57% of all working days lost due to ill-health, with Education having the highest rate of any industry. Musculoskeletal disorders showed a gradual downward trend although there were 12,000 work-related lung disease deaths including around 2,500 caused by mesothelioma.
- With regard to the regulatory environment, there had been no recent major changes and no recent or planned consultations. However, new Sentencing Guidelines had come into effect, having led to increased fines against large organisations with turnover over £50m.
- Statistics for the Group showed 269 accidents, incidents, illnesses and near misses reported in the 15 months to November 2017, including 109 accidents and 145 illnesses, although the vast majority of accidents had been minor in nature. There had been 5 RIDDOR reported accidents, all of which had been investigated and preventive action taken as appropriate – and no action had been taken by the HSE. [It was further noted that these figures excluded Alexandra College centre for learners with extreme behavioural difficulties where due the nature of the provision, rates were much higher and controls in place were commensurate with the risks].
- The Group's established practices for monitoring and reporting of Health & Safety matters included policy approval by the Group Board and an integrated approach with risk management and reporting, including reporting via the Audit Committee in order to provide governors with appropriate assurance. This ensured a broad approach and collective responsibility, with no single nominated governor for Health and Safety oversight, and the Board noted advice from a health and safety defence lawyer who advised on the recent review of the Group's H&S Policy that 'people should not be assigned responsibilities or duties that they are not remotely capable of meeting'. The Chair of the Audit Committee reinforced the importance of the distinction between oversight responsibility and executive expertise and accountability.

The Board noted that there were no significant areas of concern, and confirmed its assurance with regard to management and oversight of Health & Safety matters across the Group.

2. MINUTES OF THE MEETING HELD ON 21st JANUARY 2019

The minutes (and also the Confidential minutes) were agreed and signed as an accurate record.

3. MATTERS ARISING

The Board noted that with respect to item 3 and confidential feedback being provided about the Board's Chair, a short questionnaire was to be issued during the week commencing 25th February. GD

All other matters arising were included in the agenda.

4. QUALITY ASSURANCE OVERSIGHT

4.1. ENGLISH AND MATHS – IMPROVEMENT PLAN

The Board received a report on the Group's approach to improvement in English and maths, covering in-year performance and improvement strategies. The Board noted the following:

- Overall Group enrolment numbers for English and maths are c. 7,000 for Functional Skills and almost 4,000 for GCSEs.
- Prior year achievement is higher than the national average. For the current year, until the results of recent mock examinations become available, retention and attendance are the best indicators of likely achievement. Retention is above target, but there are concerns relating to attendance which is the biggest risk to achievement. Attendance for English is 77.1% and for maths is 76.9%. The absence rates for Functional Skills are higher than for GCSEs. Improving attendance rates for English and maths is a key priority. The Board also noted the importance of progress scores and value added.
- A significant number of improvement strategies have been implemented, based around staff development and learner intervention. Students undertaking functional skills had in many cases failed in these subjects in the past, which impacted their motivation towards learning. The Board suggested further measures, including workshops available to mature students, and challenged that the Group should be seeking to set its own high standards rather than comparing results with national averages.

4.2 COLLEGE QUALITY IMPROVEMENT PLANS

a) CITY AND ISLINGTON COLLEGE

The CIC Principal presented the QIP and the Board noted:

- With regard to English and maths, attendance has improved at 4 out of 5 centres; however it continues to be an area of focus. Results from the November GCSE re-sits were encouraging, with 28.4% of student achieving a high grade in English and 20% in maths. Results at CHSCC were particularly strong, with 43.8% achieving high grades.
- A focus for management has been to improve retention of A Level students, which is currently 81%. This is 8.5% better than the previous year, but still slightly below the national average of 81.7%. The Board noted CIC's longstanding reputation for excellence in A Levels, and questioned whether this was at risk. Feedback suggested that this reputation was being maintained, notwithstanding that key measures had been impacted by the move to linear A Levels from the previous two-year system of measurement.
- All diploma courses and under-performing adult courses are showing good signs of improvement this year, based on in-year retention and attendance rates, the details of which were noted.
- With the restructure of the central Performance & Quality Unit, the College is planning to develop a new in-house quality team aimed at accelerating the pace of improvement.

b) WESTMINSTER KINGSWAY COLLEGE

The Deputy Principal presented the QIP and the Board noted:

- English and maths remains an area of focus. In the November re-sits, 122 learners sat English and 189 sat maths, with the results being 12% high grade achievement for English and 15% achievement for maths. There has been a significant focus on attendance, which has shown improvement to 83%, just below the 85% target.
- With regard to teaching and learning, a pilot learning review has been undertaken with the potential for this new approach to replace the current lesson observation format.
- Rapid Improvement Plans are being implemented in some curriculum areas, the outcomes of which will help to inform decisions on future curriculum planning.
- A focus is being maintained on working with the Business, Information and Registry (BIR) team to secure robust data on enrolments and registers.

- Cross-college conferences have been and are taking place in order to share best practice and, whilst noting that students were not involved in this process to date, the Board highlighted the importance of the student voice as future conferences are planned.
- Overall, the Board noted the progress and the level of optimism in delivering against the QIP

c) CONEL

The Interim Principal presented the QIP and the Board noted:

- Overall, there is good progress and year-on-year improvement, but also ongoing challenges.
- Improved reporting using the Group's HR system (iTrent) is now considered to be robust and is being used to inform staff CPD and performance reviews.
- Following on from previous issues, the School of Construction has been subject to a Rapid Improvement Plan, with an external review undertaken in January having shown good progress.
- A focus is being applied on value added, along with regular classroom visits to improve teaching practice.

The Board noted the positive progress in many areas, whilst stressing the importance of improved sharing of best practice across the group. Suggestions were also made regarding the presentation of current year achievement data relative to prior year to facilitate oversight.

The Board noted the potential to raise entry standards in HE in particular to improve results, but agreed that this should be part of a broader discussion in due course on the Group's social purpose and how this affects Group strategy.

5. KEY STRATEGIC AND OPERATIONAL PRIORITIES - UPDATE

The Board received and considered a report from the CEO. The Board noted:

- Significant progress had been made in relation to providing assurance on Group financial information, and with regard to alignment of the work of the individual College Principals and the Corporate Services staff.
- A key priority is to provide the Board by the time of its 5th April meeting with further assurance regarding the financial outturn relative to budget for the current year, and the extent to which the current deficit can be recovered through further cost savings and curtailing discretionary expenditure. Further work on reconciliation of the current staff establishment is being carried out to assist with this.
- A proposed new interim structure, and KPIs aligned to this structure, had been developed to address concerns previously raised. These include clear KPIs for Principals and support service leads, as well as broader ones for the individual College Boards.
- With respect to estates planning, discussions regarding the Soho and Regents Park Centre are priorities, and options for the Marlborough building are still being reviewed. The Tottenham project has been put on hold as agreed. It was expected that proposals for a future Estates Strategy will be brought to the May Board meeting.
- The international strategy is being reviewed – including the extent to which initiatives will be pursued without detracting from the Group's core operations. This will be reviewed at a forthcoming meeting. The Board noted the potential use of ringfenced Special Purpose Vehicles, with specific profit targets, for international and other non-core initiatives.
- With regard to investment in new initiatives, consideration should be given to having a defined amount within the budget against which to consider alternative proposals (which might include the international plans).
- The Remuneration Committee had met, and a number of specific confidential decisions had been made and implemented. Additionally, the Committee is considering some wider changes to policy and terms and conditions.
- An external consultant has been engaged to undertake an independent governance review, the findings of which will be reported to the Board.
- The Board reaffirmed its appetite for a workshop to be held on 15th March, which would provide an opportunity for more in-depth review of a number of areas of strategy.

6. MANAGEMENT ACCOUNTS

A report on the management accounts to 31st December 2018 was received. The Board noted:

- An assessment has been undertaken of the full-year forecast outturn, based upon the management accounts and including an assessment of income against the separate February 2019 funding forecasts, and consultation with all major budget holders. The revised forecast showed a full-year out-turn of -£3,684k, which was £4,434k worse than budget. Additionally, it is anticipated that there will be a pension fund recharge estimated to increase the overall annual deficit by a further £5,297k.

- An analysis of the reasons for the budget deficit was provided. This included a number of planning issues that had resulted in a high level of income over-budgeting, some areas where income and costs had been miscoded in the budget, and reduced fee income resulting from the CONEL 'Free College' decision not having been incorporated in the budget. There were also a number of additional in-year issues, including the cost of the staff pay rise, under-delivery across income lines (particularly apprenticeships and international) and additional subcontracting costs to meet the AEB contract.
- This revised forecast is considered to be a realistic initial assessment, not a worst-case scenario, and it is expected that the position may improve or worsen as further work is undertaken on costs.
- Having identified the key issues, the finance intervention working group has put plans in place to address these, including budget cleaning, correcting the staff establishment, strengthening forecasting, re-engineering poor processes, strengthening expenditure controls and fully resourcing the management accounts team. Priority attention is to be given over the next two months to those elements which have the greatest immediate risk: understanding and addressing the current year deficit; better controls; and budgeting for 2019-20. This work is heavily dependent on quickly correcting the staff establishment data.
- With regard to the Board ensuring rigorous oversight and action, steps taken in relation to re-shaping and strengthening the Board and the appointment of the current CEO were noted as significant, although the Board continued to reflect on ways to further improve oversight. The Chair will discuss further with Board members the appropriateness of one or more of them joining the finance working group.
- By way of ensuring that Board members have a full understanding of their duties regarding financial management of the Group, a copy of the AoC briefing on the current College insolvency regime had been circulated. The Chair of the Audit Committee reminded the Board that she had previously circulated relevant information. The Clerk agreed to re-circulate.

AD

GD

7. FUNDING ASSURANCE UPDATE

The Board received an update report on work to improve the Group's compliance with funding regulations. The Board noted:

- A further meeting of the funding assurance task force had taken place since the last Board meeting. The work that had been identified to get all learning agreements at WKC and CIC re-signed had largely been completed and a further sampling exercise will take place to test compliance.
- Remaining concerns are being addressed through targeted and risk-based work by the MIS team and Centre-based staff.
- The task group is due to meet again on 6th March and KPMG have been commissioned to re-visit the Group during the week commencing 18th March in order to carry out an audit on behalf of the Group, the results of which would be reported to the Audit Committee. It was expected that some further work will be identified, but with many fewer issues than had led to the clawback of funding in the previous year.
- The expertise of KPMG, who undertake targeted audits on behalf of the ESFA each year, was acknowledged and the cost to the Group of engaging them directly in order to identify any further improvements needed and to mitigate the risk of further funding clawbacks, was agreed as acceptable.

8. REVISED BOARD FORMAT REPORT

The Board received a proposal from the Clerk relating to a revised format for Board reports. The Board advised that:

- The cover paper for Board reports should be a maximum of two pages.
- Reports should include sections on: Impact on Students, Impact on Budget, Impact on Staff, Impact on Diversity.

The Board **AGREED** that the revised format should be implemented with effect from the next meeting, and encouraged the Clerk to take a robust approach to ensuring that authors of reports adhere to this.

GD

9. GROUP DASHBOARD/SCORECARD INFORMATION

The Board received for information the Group Dashboard that had been designed for reporting on key areas of current year performance: Learner Numbers and Funding, Financial Position, Attendance, Retention and Achievement, and Class Sizes and Staff Utilisation.

The Board noted this as a useful reporting summary and **AGREED** that:

- The monthly updated dashboard should be circulated to Board members each month, irrespective of whether a Board meeting is scheduled. GD
- For future Board meetings, the dashboard should be the first report on the agenda. GD

10. OFSTED: COMMON INSPECTION FRAMEWORK CONSULTATION

The Board received a briefing report on the consultation being carried out by Ofsted on the new inspection framework that is scheduled to come into effect in September 2019.

11. TEACHERS' PENSIONS: CONSULTATION RESPONSE

The Board received and noted a copy of the Group's response to the Government's current consultation on funding increases to teachers' pension employer contributions.

Dates of future meetings:

Friday 15th March – Workshop – timing to be confirmed

Friday 5th April 9:30am – 1:30am

Wednesday 22nd May 2019 at 9.00am

Wednesday 10th July 2019 at 9.00am

Signed as a correct record: _____

Alastair Da Costa, Chair of the Board