

**THE WKCIC GROUP BOARD: 25<sup>th</sup> MAY 2017**

**MINUTES**

**PRESENT** Catherine Boyd-Maunsell, Dr Leslie Brissett (via telephone), Shane Chowen, Alastair Da Costa (Chair), Joel Featherman, David Gilbertson, Heather James, Mike Magras, Dame Martina Milburn, Simon Pitkeathley, Professor Anthony Smith, Amelia Sussman, Fiona Thompson (via telephone), Kay Willis (via telephone), Andy Wilson, Mike Magras, Alex Booth, Ozlem Top

**IN ATTENDANCE** Claire Collins (Group Director, HR and OD), Anna Douglas (Principal, City & Islington College), Kim Caplin (Principal, Westminster Kingsway College), Graham Drummond (Clerk), Raj Kakaiya, Caireen Mitchell (Group Director Planning and Performance), Paul Stephen (Group Finance Director), Julie Ellis

**APOLOGIES** Ruth Duston, Vidusun Edirimanasinghe

**INTRODUCTIONS**

Board members were reminded to inform the Clerk of any new appointments or accolades acquired since the previous Board meeting; there was no news to report on this occasion.

Ozlem Top was welcomed to her first meeting as a student governor. She is studying for a Diploma in Health and Social Care at CIC's Centre for Health and Social Care and has just been elected as student union president for CIC.

It was announced that David Gilbertson would step down from the Board at the end of the academic year. On behalf of the Group, the Chair thanked him for his contribution as chair of the Curriculum and Performance Committee and wished him the best for his future endeavours.

**DECLARATIONS OF INTEREST:** None.

**Section 1: Items for discussion and/or approval**

1. **MINUTES OF THE MEETING HELD ON 29<sup>th</sup> MARCH 2017** **Action**  
The minutes of the Board's meeting on 29<sup>th</sup> March 2017 were **agreed** as an accurate record.
2. **MATTERS ARISING**  
The Board noted that:
  - With respect to item 2: Matters Arising, Eversheds have advised that CCCG and CCCT should have three directors each and appointments will be made accordingly.
3. **QUALITY OVERSIGHT: REVIEW OF TEACHING AND LEARNING**  
The first interim teaching and learning report for the Capital City College Group was presented by the Director of Performance and Planning. The Board noted:
  - The report is designated as interim because insufficient lesson observation data was available from the Training Arm at the time of its writing;
  - Across the Group 88% of observed lessons were good or better; for CIC 88%, WKC 90%, CCCT 80%. 27% of lessons are outstanding, compared with the Group target of 30%;
  - The attendance rate for both CIC and WKC is 85%, 5% and 2% below target respectively. Both colleges have action plans in place to improve attendance;

- Strengths across the Group include:
  - lesson planning and execution;
  - embedding of English and literacy skills;
  - the range of formative assessment methods to check learning;
  - Equality and Diversity in lessons;
- Areas for improvement include:
  - use of differentiation strategies to stretch students,
  - individual learner targets,
  - promotion of PREVENT and British values in classes.
- The Quality Data Processing (“QPD”) student survey of autumn 2016 shows student satisfaction with teaching and learning at 82%. This survey enables the Group to compare with 101 colleges. CIC students are generally less satisfied than WKC students, as are those in the 16-18 age group.

It was the view of the Board that future reports should include an executive summary outlining how issues identified by the quality assurance process are being addressed and where improvement strategies are having impact over a period of time.

### **3a LEARNING BEHAVIOUR FRAMEWORK**

The Principals of WKC and CIC presented a report on the learning behaviour framework with the document itself annexed. The Board noted that the outcomes of consultations with staff and students have been included within the drafting of the revised framework.

The Board accepted the recommendation of the Curriculum and Performance Committee to approve the Learning and Behaviour Framework.

### **4 ALEXANDRA CENTRE - CONFIDENTIAL**

This item is discussed in a confidential note.

### **5 FINANCIAL OVERSIGHT**

#### **5a Management Accounts including anticipated income update**

The Group Finance Director presented the March 2017 management accounts. A paper was attached from the Group Director of Planning and Performance on a review of income and residual risk. The Board noted that:

- While the Group has exceeded the £3m savings target, income has continued to fall as a result of data inaccuracies, lower than expected enrolment and courses being cancelled;
- The figure includes a post-merger contingency of 3%; this is running at 1%;
- The rectification plan put before the Board at its meeting on 29<sup>th</sup> March has not yet produced the expected upturn, with the bottom line figure presented improving by £22K against a budget targeted improvement of £1.632m. The GLT remains committed to the plan and is continuing to work towards the achievement of a £1.295m operating surplus;
- While £953K of the future plan of £9.1m is considered doubtful, it will be achievable if future income targets are met in full, there is no further attrition in income and future hourly and agency spend does not exceed the remaining budget plus current vacancy factor totalling £1.1m;
- To mitigate the shortfall of income against the Group’s Adult Education Budget (AEB) £1.5m-worth of provision is being sub-contracted and courses are being enhanced to offer more qualifications within the existing curriculum.

## 5b Budget

The Group Finance Director presented a report, which included the following proposed financial objectives for 2017/18:

- Operating surplus to 3% of turnover;
- Staff costs – no more than 64% of turnover. The sector average is 65% with CIC at 64% and WKC at 72%;
- 24% of income should be generated outside the EFA/SFA local allocations;
- There should be an uncommitted contingency fund of £3m; this could be used to support services during integration;
- Current ratio to be 1.5:1 at year end;
- Cash days in hand to be at least 60 days through the year;
- Cash generated from operations should be at least £6.5m for the year.

A detailed, bottom up budget will be presented for approval in July which reflects the agreed financial objectives.

The document provided was a discussion paper for the new budget, which would apply irrespective of any decision on merger.

The Board **APPROVED** the financial parameters.

## Section 2: Substantive Item for discussion and approval

### 6 COLLEGE OF HARINGEY, ENFIELD AND NORTH EAST LONDON: CASE FOR MERGER

A report drafted by the Chief Executive setting out the case for merger with the College of North East London ("CONEL") was considered and received. Attached was the paper "Designing the FE College for 21<sup>st</sup> Century London", a paper he had co-written with Andy Forbes, Principal of the College of Haringey, Enfield and North East London. In addition, the Chief Executive gave an oral presentation. The Board noted:

- Since the last meeting, members of the Chairs' Group have further met with CONEL board members to discuss a merger. On 18<sup>th</sup> May, the CONEL voted unanimously in favour. Representatives from both Corporations will continue to meet and report back on progress as movement towards merger advances, if the Board agrees to proceed;
- It is likely that four CONEL governors would be admitted to any merged board pro tempore with two further full or co-opted governors to the main committees. There will be a review of governance arrangements in 2018;
- Whilst the merger of WKC and CIC may not have had sufficient time to fully bed down, the merger with CONEL presented an opportunity to strengthen the Group, both with respect to teaching and learning, and financial sustainability;
- CONEL is a well-run college that has continued to operate at profit despite declining income over the last few years; it has strengths in construction, particularly railway engineering and digital IT;
- There have been mutually satisfactory financial and legal due diligence exercises between the Group and CONEL;
- Since the merger of WKC and CIC some of the growth targets have not been met, though record numbers of 16-19 year olds have been recruited;
- As regards liabilities:
  - on pensions arrangements, the CONEL support staff are in the Haringey scheme, not LGPS. There will be a £300-400K saving if the schemes are integrated. An application will need to be made to the Department of Local Government for consent to merge the schemes which should be straightforward

- but likely to take up to four months;
- The Tottenham estate will require significant investment to ensure that it continues to meet the needs of its students;
- CONEL may face a £5m VAT bill.

There was a discussion about executive posts, for which there is a confidential note.

The following observations were made during the discussion as to whether or not to enter advanced (but revocable) merger talks:

- Despite the obvious challenges, there appeared to be enough goodwill on the part of the Governor and Executive teams of both parties to make merger successful;
- The recommendation to accept CONEL into the Group is not affected by the introduction, or otherwise, of Institutes of Technology;
- Tottenham and other parts of Haringey are undergoing regeneration and the Group can play a pivotal role in this;
- Universities have shown a keen interest in working with what would be the third-largest college group in the UK;
- The mission statement (a work-in-progress) could be further clarified. It was recommended that an integration specialist be recruited to oversee the merger process;
- As much information as is possible about the progress and implications of merger should be promulgated to staff. A formal announcement will be made at half term and then the Group will embark upon the consultation phase.

The Board **AGREED** that:

- In their belief, a merger with the College of Haringey, Enfield and North East London (CONEL) is in the best interests of students and staff;
- A public statement is to be issued that it is the intention of this Corporation and CONEL's Corporation to merge with a target date for completion of 1<sup>st</sup> November 2017, subject to the required processes having been carried out;
- The merger would be carried out using a type B arrangement and the CONEL Corporation will be informed that subject to a consultation on their dissolution that The WKCIC Group will be willing to receive their assets and liabilities on a date to be confirmed by both corporations;

Board members noted that it was the right of both Corporations, if they both agree, or unilaterally if either resolves, to cease progress with the merger.

### **Section 3: Items for noting and questions**

#### **7 STUDENT REPORTS**

The WKC and CIC student reports were noted and received. The students who participated in creating these were to be commended for their good work.

#### **8 ORGANISATIONAL BUSINESS**

The draft meeting schedule for 2017/18 presented to the Chairs' Group on 27<sup>th</sup> April 2017 and the Schedule for the Governors' Workshop to be held on 7<sup>th</sup> June were noted and received.

Item 8c on Designated Board Members would be covered at the Workshop.

With respect to the Audit Committee, a verbal update from the Chair was received. It was noted that following the SFA Audit Review in October 2016 it had been decided that an SFA appointed audit service (rather than that of Mazars, the current internal auditors) would be used to carry out a funding assurance audit. The

Group has appointed KPMG for this purpose;

- 9. HUMAN RESOURCES UPDATE**  
A report was considered, noted and received.
- 10. FACILITIES MANAGEMENT**  
A report was considered, noted and received.

**Section 4: Items For Noting**

- 11. CENTRE FOR LIFELONG LEARNING: NURSERY OFSTED INSPECTION**  
The Board received this report for information. It noted that, in respect of its inspection on 13 March 2017, the nursery was awarded an overall classification of outstanding and also in all four categories assessed.
- 12. SUMMER EVENTS TO WHICH GOVERNORS ARE INVITED**  
Schedules of events for CIC and WKC were noted and received.
- 13. LETTER FROM PETER LAUENER**  
A letter from the Chief Executive of the Education & Skills Funding Agency was noted and received.

Signed as a correct record: \_\_\_\_\_

Alastair Da Costa, Chair of the Board

*The next meeting will be on Wednesday 12<sup>th</sup> July 2017 at 6pm, venue to be confirmed.*