



CAPITAL CITY COLLEGE GROUP BOARD: 28th MARCH 2018

MINUTES

- PRESENT** Catherine Boyd-Maunsell, Keith Brown, Shane Chowen, Alastair Da Costa (Chair), Ruth Duston (from 19:00, Financial Oversight), Dame Martina Milburn, Simon Pitkeathley, Professor Anthony Smith, Amelia Sussman, Fiona Thompson, Maarten Zuurmond (from 18:29, IT Update), Andy Wilson, Heather James, Mike Magras, Pamela Toluwa Esoimeme, Robert Yonkah
- IN ATTENDANCE** Nirmal Borkhataria (Group Finance Director), Kim Caplin (Principal, Westminster Kingsway College), Claire Collins (Group Director, HR and OD), Graham Drummond (Clerk), Paul Fegan (MD CCCT), Andy Forbes (Principal of CONEL and Interim Principal of City and Islington College), Stewart Cross (Director of Integration and Information), Julie Ellis, (Governance Officer)
- APOLOGIES** Sarah Ebanja, Ozlem Top, Kay Willis, Joel Featherman, Dr Leslie Brissett, Lord David Triesman, Anthony Robinson
- DECLARATIONS OF INTEREST** None

INTRODUCTIONS

The Chair welcomed everyone to the second Board meeting since the merger with the College of Haringey, Enfield and North-East London and invited those present to share details of any accolades, awards or new responsibilities acquired since the last meeting; there were none disclosed.

DECLARATIONS OF INTEREST:

None.

Section 1: Items for Discussion and/or Approval

1. **MINUTES OF THE MEETING AND CONFIDENTIAL MINUTES HELD ON 19th DECEMBER 2017** **Action**
The minutes of the Board's meeting and confidential minutes on 12th December 2018 were **agreed** as an accurate record.
2. **MATTERS ARISING**
None.
3. **CHAIR'S UPDATE**
Reports presented by the Chair on the CEO recruitment campaign and the Governance Review were received and considered. The Board noted:
 - The executive recruitment firm Odgers Berndtson had been appointed, after a competitive tender, to search and recruit a new CEO following the announcement of the current CEO of his intention to retire;
 - The closing date for applications is 29th March. Long-listing will start in the week commencing 16th April and shortlisting 14th May, with interviews mid-May. Students and staff will be involved in the recruitment process;
 - It is hoped that a recommendation for appointment can be made at the next Board meeting on 23rd May;

- A summary of outcomes of the governor workshop facilitated by Q5 on 14th March had been appended to the report, which highlighted the issues and challenges facing the Group and an initial analysis of what was needed to address these. The next stage will be a discussion session at the end of April between Q5 and the Governance Review Group;
- Governors will be asked to attend workshops with the Spencer Du Bois agency, branding consultants specialising in the charity, education and health sectors, who are engaged on a strategy for CCCG's brand development and reputation management.

The Chair expressed his appreciation to Board members and recognised that it was a particularly intense period regarding demands upon their time.

7. CEO'S REPORT

A series of reports were received and considered. The Chief Executive presented an update structured around the headings in the Strategic Plan, with appendices setting out how the constituent colleges are implementing it. There were further updates on HR, IT and MIS issues.

HR including strike update

A paper updating the Board on the recent industrial action taken by members of the University and College Union (UCU) and an HR update were received and considered. The Board noted that:

- Trade union members have taken three consecutive days of industrial action between 26th and 28th March. Strike action has affected all parts of the Group but has been most evident at King's Cross, CLL, CBAT and at both CONEL sites. Trade union members had handed board members leaflets as they had arrived for this meeting;
- The two central issues which UCU had balloted their members for strike action were the request for a 6.9% pay rise and the transference to fractional salaried posts of hourly-paid lecturers who have worked for two years or more, who teach at least 10 hours a week;
- 62.5% of those entitled to take part in the ballot did so of which 96.4% voted to strike. The CEO and Head of HR have met with union reps to avert strikes, but no agreement was reached;
- Whilst acknowledging that FE pay has fallen behind public sector pay generally, the Group's stance is that its staff are amongst the best paid in the FE sector. All three colleges have paid the rate agreed nationally between the trade unions and the Association of Colleges for the past three years. The Group would be likely to uphold the rates of pay agreed in this way in the future;
- In the light of the operational deficit made last year and the difficult economic climate for FE colleges in general, the Group cannot fund pay rises beyond the levels already agreed;
- The first joint equality, diversity and inclusion report for the Group has been published, to comply with the public duty to provide information on the progress made during 2016-17;
- A report from United Kingdom Investors in Equality and Diversity (UKIED) concluded that WKC/CCCT's performance meets all the essential/mandatory standards for Silver/Compliance and they are in a strong position to meet the expected standards for the Gold/Embedded Award. It is anticipated that Group-wide accreditation from the UKIED will be sought in October 2018.

College updates

Updates from the Principals of the three colleges with regards to initiatives and activities undertaken were regarded as largely self-explanatory. The Board continues to be encouraged by the range of activities undertaken by students and impressed by their achievements.

IT and MIS issues update

The Board noted that:

- Some issues perceived to be problems with IT were in fact MIS problems. A number of these issues had been caused by two legacy systems being replaced by a single version. Added to this, the MIS department has had to prioritise responding to urgent requests for data, to submit accurate ILR returns and to establish definitive enrolment and funding data for the Group, over some aspects of system harmonisation;
- Despite considerable progress made in upgrading IT systems, there remain some problems to overcome as years' worth of infrastructure under-investment is being addressed.

Classroom staff have worked hard to minimise the impact in the classroom, and projects using the development and innovation fund have continued; however, difficulties completing registers and communicating with students have continued;

- Some of the Group's IT problems stem from insufficiently skilled personnel. CONEL have successfully used Modulo 2, an external IT management source for five years. This company has been appointed to supply a Director of IT for the Group until Spring/Summer 2019 as it has been challenging to find candidates with the requisite skills and experience to fill the post on a permanent basis;
- The Board would continue to receive IT updates on an ongoing basis.

GLT responsibilities update

An organisational chart indicating the re-allocation of responsibilities in the light of the departure this week of the Group Director of Performance and Planning was distributed. It was noted:

- Marketing has been delegated to colleges, with the Principal of Westminster Kingsway College taking the lead;
- Performance and planning will be overseen by the Quality team, based at Regent's Park.

4. QUALITY OVERSIGHT

Reports on the Development and Innovation Unit Update and the Autumn '17 Student Survey were received and considered. The Board noted:

Development and Innovation Unit

- Staff are encouraged to bid for the £500K-worth of ring-fenced funding available from the Unit. Bids tend to range for sums of between £3-25K. Staffing costs incurred in running the unit are £150k. Many of the bids have a digital element;
- Thirty-two members of staff across the Group attended externally delivered project management training;
- A meeting is taking place with the Education and Training Foundation with a view to becoming one of their research-based colleges;
- There will be a showcase event of projects funded by the DIU at the corporate conference in July.

Student survey

- The survey uses the Quality Data Processing ("QPD") methodology which enables the Group to compare outcomes against the benchmarks generated by 92 other colleges. A more rigorous analysis will be conducted at the college board level, with further details available on request;
- There has been a significant increase in levels of student satisfaction across the Group compared to the results of the Autumn 2016 survey, most notably in respect of independent learning, understanding assessment tasks and feedback to support improvement. The highest levels of satisfaction are among apprentices and adult learners 16-18 learners whose study programme includes an English and/or maths qualification;
- The next survey will include CONEL for the first time; CONEL has used a similar approach to assess student satisfaction levels.

5. STUDENT REPORTS

The CIC, WKC and CONEL student reports were received and considered. Student representatives of WKC and CONEL took those present through their report and highlighted the following activities and initiatives:

WKC

- A Parliamentary visit in connection with the campaign to lower the voting age to 16;
- A girls into tech conference to encourage girls into these industries;
- An apprenticeship fair to coincide with National Apprenticeship week;
- Peer mentoring events

Conel

- Green week – a week of activities to highlight awareness of environmental issues;

- Drive safe – presentations to encourage the next generation of drivers about road safety;
- Workshops and consultations dealing with knife crime, extremism and radicalisation;
- Enrichment workshops for students to extend learning beyond their own subject areas

6. FINANCIAL OVERSIGHT 6.1 MANAGEMENT ACCOUNTS

A report on management accounts was received and considered. The following had been included within the report:

- Management Accounts for CCCG to 28th February 2018;
- A summary and detailed income statement breakdown for the colleges and corporate services;

The Board noted that:

- While the Group is unlikely to regain its previously held ESFA outstanding status before the 18/19 academic year, the balance sheet is healthy, showing total assets less liabilities of around £252 million and cash reserves at £21 million (figures for CONEL will be included from April);
- The Group may struggle to achieve a break even position. For the seven months up until 28th February income was down by £4m and the current forecast of the anticipated year end position indicates that revenue could be up to £5m below budget;
- A surplus of £250k had been forecast at the two month stage. The main reason for not achieving this forecast is the failure of the colleges and CCCT to meet income targets; however there were other unanticipated factors including:
 - the revaluation of CONEL's freehold estate required to complete their accounts on a fair value basis, is likely to result in a depreciation of £1m;
 - greater reliance on subcontracting to fulfil teaching obligations;
 - incomplete management information continuing to affect the figures;
- Factors affecting the FE sector generally have made the ability to meet targets even more challenging. Apprenticeship starts are down nationally as employers take time to commit their levy allocation. However the Group is performing better than most providers, winning a number of high-value bids recently (see Item 8 below). There is a general decline in adult education and HE;
- The Group will seek to achieve £3.5m-worth of savings through reducing staffing costs, removing underperforming courses, merging courses and promoting new courses to extant students; CONEL has successfully managed year-on-year declines in income using similar methods. CCCT is unlikely to be able to make any substantial savings. No redundancies are planned for this academic year;
- Savings plans have been put in place to across all areas of the Group and the Group Leadership Team have been working with Tribal Benchmarking, a specialist educational financial planning consultancy to assess the Group's costs in a more analytical manner;
- 16-18 enrolment remains strong and the Group has experienced increased enrolments of these students year-on-year;
- The Audit Committee obtained a report on budgeting and forecasting from the internal auditors who issued adequate assurance. This indicates that there is generally a sound control framework in place, but recommendations are made regarding issues of compliance or efficiency or some specific gaps in the control;
- Work on the budget for 18/19 will commence in around 6 weeks' time.

Some concern was expressed that the extent of the decline in anticipated income was not more clearly expressed in advance of the receipt of papers and that there was continued decline despite assurances at previous meetings that the problems were being addressed. The Board asked for more regular communication concerning the financial health of the Group and more specificity about the measures to be taken to contain costs.

6.2 CONEL FINANCIAL STATEMENTS: AUGUST – OCTOBER 2017

The following reports were considered and received:

- Financial statements and report for the period 1st August – 31st October 2017;
- Final Audit Findings Report;
- Regularity Self-Assurance (sent by e-mail).

The Board noted that:

- The statements and report close off CONEL's balance sheet from the start of the 2017/8 financial year to the date of its dissolution and the transfer of its assets and liabilities to CCCG. If agreed, these, and other documents associated with their compilation would be signed off by the governor who was the Chair of CONEL prior to its dissolution;
- The statements have been subject to examination at the Audit Committee meeting of 20th March, at which one of the external auditors involved in compiling the reports was present to answer queries. It was further noted that amendment requests made by the Audit Committee had been included in the final version for signing.

The Board **APPROVED** the signing of the financial statements, the letters appointing RSM in respect of the Financial Statements and Regularity and the Regularity Self-assessment Assurance questionnaire.

8. COLLEGE BOARDS

The Board received and considered oral updates from the chairs of the College Boards; the former Chair of CONEL addressed the Board in the light of the apologies for absence of its College Board chair. The Board noted:

CIC

- A new interim Deputy Principal has been appointed;
- The College has indicated an expression to become an early adopter of T levels (a year before national implementation) in two subject areas: Digital and Childcare;
- Four areas highlighted by the SAR as underperforming were focussed upon at the meeting of 7th February: enterprise at CBAT, English and Maths at CHSCC, adult access to HE Diploma provision at CLL and applied science and sport and forensic science at CAS;
- The increased responsibility of the college boards was welcomed, but its role and the mechanism for direct referral of issues to the main Board would need further clarity;
- Over 800 requests for course information from prospective adult students had been passed on late to course teams. There have also been ongoing problems with the College's online application system which has mainly affected the Sixth Form College.

WKC

- The College would look at making up the shortfall from loss of income in more flexible ways, such as offering general interest courses. An institute of culinary medicine is being launched, a novel way to harness the CPD requirements of the medical profession;
- The Risk Register would benefit from the inclusion of staff metrics;
- The Mayor's Skills for Londoners strategy was considered at the meeting of 6th February. Factors affecting the mismatch between London's needs and the skills on offer may be remedied to some extent if employers are clearer about what they need and are willing to influence course content;

CONEL

- Concerns were expressed about the ability of the College to continue to make a profit in the light of the merger and falling income;
- Terms of reference could be made clearer to establish the College Board's role within the Group. There was a sense of distance from the Group, though it was acknowledged that this was in part due to teething problems;
- CONEL had the highest rate of student satisfaction in England last year;

CCCT

- Recent bid successes e.g. City and Guilds, NHS, Christian Dior indicate that CCCT is making good progress;
- Apprenticeships are 20% behind profile in the context of a national picture where take-up is 61% down since the levy was introduced;
- It will be difficult for the training arm to cut costs without affecting the delivery of service;
- There are opportunities for the international team to broaden its geographical reach, with visits from potential customers from Denmark and Portugal.

9. APPOINTMENT OF AUDITORS

Performance reviews of internal and external auditors (Mazars and Buzzacott respectively) were received and considered. It was noted that:

- The Audit Committee at its meeting of 20th March had considered the reviews of the performance of internal and external auditors by the Group's finance team;
- The External Auditors had been re-appointed after a tender exercise last summer, the third time that they had been appointed after a competitive tender. The Internal Auditors had been WKC's auditors pre-merger and were also CONEL's auditors;
- The view was expressed that a re-tendering exercise during the integration process would not be helpful. In any event, the work of both internal and external auditors was assessed to be of a high standard and the Audit Committee recommended their re-appointment.

The Board **APPROVED** the re-appointment of the current internal and external auditors.

Section 3 – Items for Information and Questions

10. INSTITUTE OF TECHNOLOGY

An update was received for information on the Group's application to become an Institute of Technology. The application was considered in detail by the Curriculum and Performance Committee at its meeting on 7th March and it is expected that the Group will learn in May if it is to proceed to the next stage.

11. INTEGRATION UPDATE

An integration update with a milestones date summary was received for information.

12. FACILITIES AND ESTATES UPDATE - CONFIDENTIAL

A confidential report on estates was received and considered. The Board noted that while there have been some issues related to staff transferring under TUPE, the facilities management contract with Kier appears to be bedding down.

13. STAFF SURVEY ACTION PLAN UPDATE

A report was received for information. It was noted that efforts to improve communication with staff voice sessions and an improved HR intranet site appear to be having an impact; establishing and embedding a distinctive Group culture will be a longer term project.

The next meeting will be on Wednesday 23rd May 2018 at 6pm, venue to be confirmed.

Signed as a correct record: _____

Alastair Da Costa, Chair of the Board