

CAPITAL CITY COLLEGE GROUP BOARD: 10th JULY 2019

MINUTES

PRESENT	Alastair Da Costa (Chair), Roy O'Shaughnessy (CEO), Dr Leslie Brissett (by audio), Keith Brown, Shane Chowen, Keyan O'Donnell, Amelia Sussman, Maarten Zuurmond (by audio)
IN ATTENDANCE	Amanda Dickens, Chris Hyams, Lisa Weaver-Lambert, Dwain Neil, Rachael White (Chief Finance Officer), Stewart Cross (Director of Integration & Information), Graham Drummond (Director of Governance), Elvie-Jo Shergold (Director of Marketing and Communications) <i>[item 1 only]</i> , Kurt Hintz (CONEL Principal) <i>[by audio – items 9 and 12]</i> , Graham Cooper (Clerk)
APOLOGIES	Mel Brookstone, Sarah Ebanja, Prof. Anthony Smith, Fiona Thompson, Lord David Triesman
DECLARATIONS OF INTEREST	None

The Chair noted that this was a time of change for membership of the Board, with three members stepping down with effect from the end of this meeting: Keith Brown, Dr Leslie Brissett and Fiona Thompson. The Board thanked Keith, Leslie and Fiona for their considerable contribution to the work of the CCGG Board and, prior to the merger, as members of the individual college boards.

The Board welcomed Amanda Dickens, Chris Hyams, Lisa Weaver-Lambert, and Dwain Neil, who had been appointed as new governors from the end of this meeting, attending this meeting as observers. The Board congratulated Dwain Neil on being awarded an OBE for 'services to the British African Caribbean Community', announced in the recent Queen's birthday honours list.

The Board also welcomed Rachael White as Chief Finance Officer, and the CEO confirmed that he was delighted with this appointment, which was integral to the strengthening and consolidation of the Group Leadership team structure.

1. **SUMMER MARKETING CAMPAIGN**

The Board received a presentation from the Director of Marketing and Communications on the Summer Marketing campaign. The Board noted:

- Individual campaigns have been developed for each of the colleges, focusing on their individual characteristics and strengths.
- Students are at the centre of the campaigns, with individual students featuring in adverts and video/media clips.
- Use of social media is integral to the campaigns.
- The media plan is complemented by other strategies: school liaison, student ambassador and stakeholder engagement.
- Live reporting from a media agency is being used to complement each college's application and enrolment reporting; this process focuses on 'keeping warm' potential students and guiding them through to enrolment, with main enrolment commencing 16th August.
- Parts of the Group, as relevant, are working in partnership with individual NHS trusts, and there is potential to do more.
- The Board highlighted the opportunity for developing a celebrity alumni programme, which could be a powerful marketing tool.
- Whilst recognising the benefits of playing to individual college strengths, there is more that can be done in terms of leveraging the benefits of being part of a bigger group, e.g. access to libraries and buildings of other colleges in the Group. The CEO would look at addressing this issue.

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2. MINUTES OF THE MEETING HELD ON 22nd MAY 2019

The minutes were agreed and signed as an accurate record.

3. MATTERS ARISING

The Board to note that:

- With respect to item 1, Eversheds had produced a flowchart to illustrate the process associated with a possible insolvency situation (item 13).
- With respect to item 2, the Board's diversity profile was provided as part of item 4.3.
- With respect to item 3, the previous forecasts had been included in the dashboard so that changes could be identified.
- With respect to item 6, risks and debtors had been included within the management accounts.
- With respect to item 10, the final version of the 2019/20 calendar dates had been included within item 14.

All other matters arising were included within the agenda.

4. BOARD ORGANISATIONAL BUSINESS

4.1. COMMITTEE MEMBERSHIP

The Board received an update with regards to membership of the Board and committees, including a number of recommendations for appointments.

The Board noted that, as previously approved, the following would join the Group Board with effect from the end of today's meeting, and the Director of Governance would be writing to them formally with regard to their appointment:

- Amanda Dickens
- Chris Hyams
- Lisa Weaver-Lambert
- Dwain Neil

The following members would be standing down:

- Keith Brown
- Fiona Thompson
- Leslie Brissett

An up to date list of members and their terms of office was provided. Following discussions with the relevant members, it was recommended that Amelia Sussman and Maarten Zuurmond become co vice chairs of the Group Board.

With regard to Committee and College Education Board membership, the following were recommended:

- Chris Hyams to join and chair the audit committee.
- Maarten Zuurmond to chair the Remuneration Committee
- Prof. Anthony Smith to cease membership of the CIC Education Board and join the Audit Committee
- Amanda Dickens to join the Westminster Kingsway Education Board
- Dwain Neil to join the City and Islington College
- Amanda Dickens to join the Remuneration Committee
- Roy O'Shaughnessy to join the CIC Education Board and act as the lead executive

Additionally, at its last meeting, the CIC Education Board had made a membership recommendation for Clare Rath to join it as a member in September. A copy of her biographical summary had been circulated. The Board **APPROVED** all of these recommendations.

The Board also noted that a new student union president, Fatma Jeilani, had been elected at City and Islington College and would join the CIC Education Board.

With regard to the Audit Committee, the Director of Governance advised that he would be looking at suitable training on audit related matters.

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Lastly, it was noted that the new Chair of Audit is a qualified accountant and financial experienced

4.2 ORGANISATIONAL UPDATE

The Board received an update and noted:

a) Safeguarding

There would be a presentation/training on safeguarding at the next meeting.

In line with best practice, it had been recommended that the Board and the colleges have safeguarding link members in place. Following discussion at recent education board meetings, the following link members were recommended:

WKC – Mark Isherwood

CIC – Nicole Morgan

CONEL – Nims Obunge

For the CCCG Board, the safeguarding link is Alastair Da Costa.

The Board **APPROVED** these safeguarding link appointments.

b) DBS Checks

It was the Group's practice to undertake DBS checks on board members (with the exception of student members). These would be completed for the new members being appointed at the end of this meeting, and would also be renewed for a number of continuing members.

c) Self Assessment

As part of good practice the Board has undertaken a chair effectiveness review. The Chair will be writing to all board members to remind them of their duties and responsibilities and will discuss the outcome of this review on an individual basis. The Board will be undertaking its annual effectiveness review, the outcome of which will reported to the Board at its November meeting.

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4.3. DIVERSITY ANALYSIS

The Board received an analysis of the diversity profile of Board membership, completed by the Director of Governance.

The Board agreed that efforts should be made to further improve the diversity of Board membership in relation to gender, ethnicity and age profile. The Board also noted that the current profile was not representative of the profile of the student body, which itself would change over time.

The Board **AGREED** that targets should be set in relation to the diversity of Board membership to be achieved over the next two/three years. The Chair undertook to discuss the issue further with individual Board members and to revert to the next Board meetings with proposed targets.

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5. KEY PERFORMANCE INDICATORS

5.1. GROUP DASHBOARD

The Board received and noted the Group Dashboard, together with the Finance Dashboard (Estimated Funding Report), Curriculum and Learner Experience Scorecard and 2018/19 Attendance and Retention summary data. The Board noted that further detailed reporting on performance was included in the substantive papers for other items on the agenda.

5.2. NOTE ON CLASS SIZES

The Board received a note on class sizes in response to a request made at the March Board meeting.

6. MANAGEMENT ACCOUNTS MAY 2019

The Board received the management accounts to the end of May. These showed an expected full-year outturn deficit of £5,152k, which was £438k worse than the previous month and £5,902k worse than budget. The Board noted:

- Most of the worsening of the position since the previous month was due to a decision to subcontract £500k of additional AEB provision in order to mitigate against the risk of a funding clawback.
- £2,279k of the additional costs during the year to date were as a result of the pay award.
- There were still some risks, notably that the redundancy programme could exceed budget, as well as a risk from previous year accruals, which were being reviewed for continuing relevance. HMRC were also being chased to confirm that the amount paid in respect of the Tottenham VAT case had been accepted in full and final settlement, and it was hoped to have this confirmation by the end of July.
- The Chief Finance Officer was to meet with the external auditors to discuss end of year releases of provision and accruals, to ensure a robust foundation for the next financial year.
- The FRS102 pension contribution costs (outside of the Group's ability to determine) would need to be added to the deficit in the management accounts, once known.
- Steps were being actively taken to chase outstanding debtors and to ensure that these are kept under control.
- With regard to the cashflow forecast, March was expected to be the lowest point for balances, which was usual. Balances were nevertheless still forecast to be a healthy c. £12.5m at that stage. The Board requested that a monthly forecast of cash flow, linked to the operational surplus/deficit, is included in the management accounts format for next year

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- It was expected, notwithstanding the deficit forecast for the full year that in view of the Group's significant cash balances and low borrowings, the ESFA Financial Health rating of the Group for the current year would be Good.

7. FINANCIAL PLANNING

7.1 BUDGET 2019/20

The Board received a final draft budget and risk analysis for 2019-20, following the draft budget which was discussed in April and May. The Board noted:

- The draft budget was a result of a comprehensive Business Planning process that had begun in November 2018. College directors and their teams had been invited to formulate detailed proposals, based on their individual development strategies which were subsequently agreed in a set of formal meetings in February which validated course plans and delivery resources needed. Curriculum plans had fed into the budgeting process, which had evaluated income, and staff and non-staff costs.
- Whilst a balanced budget was now presented for approval, it had not been possible to budget explicitly for a staff pay award, which would only be affordable on the basis of good financial progress through the year. The cost is anticipated to be £1.38m.
- The reality of the budget now presented therefore, was that it fell short by c. £2m of what the GLT and the Board would wish to see in order to ensure that a staff pay increase could be guaranteed and to provide some further comfort.
- The Board reviewed and discussed the risks to the budget as set out in the paper.
- The budget now presented would itself be a significant challenge to deliver. Whilst the GLT were committed to doing so, and had confidence that the steps planned were the right things to do for the future of the Group, it would nevertheless involve a significant change management process.
- The Board emphasised the importance of being provided with reliable and regular management information in which it can have confidence, from September onwards, so as to enable effective monitoring from the outset of the new academic year.

The Board endorsed the need for ongoing efforts to identify a further £2m income or savings in expenditure. Whilst recognising the challenges associated with its delivery, the Board approved the 2019-20 budget.

Finally, members of the Board expressed their concern about the Group's financial position and due to the seriousness of the situation fundamental changes are needed; due to this, a task force committee has been established to work with the executive on the budget and find ways to ensure that the required changes take place so that the Group can become financial sustainable.

7.2 3 YEAR INCOME, EXPENDITURE AND CASHFLOW FORECASTS

The Board received and noted 3 Year Income, Expenditure and Cashflow forecasts. The Board noted that delivery of the 2019-20 budget was critical to establishing the baseline for the following years.

8. CHIEF EXECUTIVE'S UPDATE

The CEO presented an overview of his vision of what success would look like for the Group during 2019/21, as follows, explaining that this comprised a number of important areas that had already been discussed by the Board and that more detailed plans were in place in relation to each. The following priorities were identified within the report:

1. First and foremost, excellent student experience and results (ongoing).
2. Content, motivated, and highly performing staff.
3. Lean but effective management structure (December 2019)
4. Balanced budget including appropriate pay awards (December 2019). Crucial to confidence to deliver this would be identifying additional cost savings (or unrestricted revenue) of £2m.
5. Good Ofsted rating.
6. Create endowment through maximum development possible of Regents Park Centre, including adding to the current proposed height of the redevelopment (£80 million - 2023) – planning to commence August 2019.
7. Maintain buildings and facilities to the highest standard (2021)
8. Grow Commercial, CCCT, and International non-restricted income (£2-5 million contribution to the bottom line) – (2021)
9. Build Visionnaires, providing mentoring and support and guidance to budding entrepreneurs, into a highly successful organisation (Now)
10. Invest in achieving highly performing back office services
11. One college internally but with individual identities (Now through 2021)
12. CIC Sixth Form rehoused in larger building to allow for innovation and unparalleled student experience (2020-2021). A new Head of CIC Sixth Form had been appointed.

- 13.WKC Sixth Form to remain as is and not combined with CIC (now)
- 14.Move to three “lead” model at CIC (September through December 2019)
- 15.Intersect CBAT (now)
- 16.Realign CIC in three phases – now to December 2019 – January to July 2020 – August 2020 – 2021
- 17.CONEL and WKC continue with business as usual (now)
- 18.New top level structure for the organisation – ultimately leading within to one combined role of Principal/Chief Executive (ongoing but fully in place by the time current CEO retires)
- 19.Introduce cross-organisation services where appropriate similar to the Quality Team meetings (January 2020)
- 20.Simplify the meeting structure to avoid duplication (currently includes Board – GLT – Group SMT – College SMT – cross-group Quality and related meetings)

The Board noted the significance of this challenge and asked the CEO about the capabilities of the team now in place to make this happen. The CEO explained that he considered that following the recent changes to the Group Leadership Team, he considered that there was a strong group now in place, but that the team was lean and would need to work hard to deliver the required outcomes. The Board advised that it would be important for the Board to be able to monitor progress. The Board therefore requested that a template report related to these objectives is created and is included as a standard report as part of Board papers going forward.

The CEO also advised the Board that following an approach by FE Week, he had agreed to an interview in which he had openly discussed the current challenges facing the Group. The relevant article had yet to be published in FE Week.

The Board also discussed the need for members to be briefed on the new Ofsted Education Inspection Framework. This would be arranged for the autumn term, potentially including some members of the College Education Boards.

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9. QUALITY OVERSIGHT

9.1 TEACHING, LEARNING AND ASSESSMENT REPORT

Kurt Hintz, Principal for CONEL and with responsibility for Group quality presented the report. The Board noted:

- The overall quality of teaching, learning and assessment for the Group was currently assessed as Good.
- A number of emerging themes had been identified based primarily on lesson observation reports, and improvement plans were in place to address these at individual college level.
- The Group teaching, learning and assessment observation policies and improvement strategy was, however, not compatible with the new Ofsted Education Inspection Framework, and a significant revision to these policies was required to support teachers in a continuous professional development cycle that focuses on development of teaching, and teachers maintaining their currency and status as dual professionals.

9.2 COLLEGE EDUCATION BOARDS: REPORT AND MINUTES

A summary of the issues discussed at the most recent college education board meetings was noted and received.

10. FUNDING ASSURANCE

The Board received a copy of the Funding Assurance report dated May 2019 from KPMG. The Board noted:

- The Audit Committee had asked that the Board is made aware that there continues to be risk associated with the possibility of funding clawback, which could impact on the financial outturn for the year.
- Resolution of the issues associated with the underlying learner information systems has been treated as a priority, under the oversight of a task force comprising senior management that had met every three weeks since January.
- Whilst the recent report from KPMG demonstrated that progress had been made towards ensuring that the Group is compliant with ESFA funding regulations for 2018/19, including training for registry staff, work was still ongoing.
- In addition, the Group had recently commissioned an additional £500k of AEB subcontracting as mitigation against a potential clawback of funding.
- It was not yet known whether the College would receive an ESFA funding audit this year, and the ESFA had yet to appoint firms to undertake these or to select colleges to be audited. However, there remained a risk that in the event of an audit by the ESFA around September time, if an error rate is

detected, however small, in part of the Group, the ESFA might decide to extrapolate this in order to determine an amount to be clawed back from the Group as a whole.

- The Director of Integration & Information reminded the Board that the threshold that would trigger a clawback was 97% and that the current forecast was 100%, which was c. £1m above this. The current external climate suggested, however, that the ESFA would take a robust approach to any clawback. All reasonable steps were therefore being taken to avoid this.

The Board therefore noted the risk of a clawback relating to the current year, and that the Audit Committee would maintain oversight of the steps being undertaken to improve systems and to mitigate against the risk of future clawbacks.

11. POLICY APPROVAL

11.1 FEES POLICY 2019/20

The Board **APPROVED** the Group's Fees Policy, noting that that there were no substantive changes from the previous year.

11.2. SUBCONTRACTING AND CHARGES POLICY

The Board reviewed and **APPROVED** the Subcontracting and Charges Policy. It was noted that there were no substantive changes to the Policy, although a new regulatory requirement had been introduced; for the College to state the amount of fees that are not passed on to subcontractors and the rationale/justification for this. The Director of Integration and Information confirmed that compliance with this requirement was being ensured.

11.3. STUDENT PROTECTION PLAN

The Board received a draft Student Protection Plan and noted that this was a new document setting out the measures that the Group has in place to protect Higher Education Students. Annual publication of such a plan was now a regulatory requirement of the Office for Students in order to remain on the UK Register of HE providers.

The Board **APPROVED** the Plan, **SUBJECT TO** this being reviewed and considered satisfactory by Professor Anthony Smith, in view of his HE experience.

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12. STUDENT SATISFACTION

Kurt Hintz, Principal for CONEL and with responsibility for Group quality presented the report. The Board noted:

- The Group carried out 2 externally benchmarked whole group satisfaction surveys each year along with the ESFA FE Choices Survey
- The Group Student Survey Spring 2019 was completed by 15,079 learners (60% responses) and findings were benchmarked against 510,149 students from 93 colleges. The FE Choices Student Satisfaction Survey was completed by 1,531 learners and findings were benchmarked against all ESFA funded learners and FE colleges.
- The overall satisfaction rates for the Group were 88%, which ranked the Group in the third quartile in comparison with the other colleges taking part, although the individual questions all ranked within the second quartile.
- The intention is of the Group is to ensure that it performs within the top quartile as soon as possible, and the GLT considered that addressing improvements to teaching and learning is critical to this;
- It was evident that students were willing to speak more freely in terms of providing feedback in informal gatherings more than in formal consultations organised through the Students Union. The CEO advised that he would appreciate help from the Student Board member present in taking this forward.
- The CEO assured the Board that the GLT recognised the importance of this issue.

13. INSOLVENCY FLOWCHART

The Board received and noted a flowchart relating to the college insolvency framework, provided by Glynne Stanfield as requested at the last Board meeting when Glynne delivered a presentation on the new insolvency regime.

14. BOARD MEETING DATES 2019.20

The Board noted the dates as agreed for meetings of the Board, College Education Board and committees for 2019/20.

15. AUDIT COMMITTEE

15.1. KPMG FUNDING ASSURANCE REPORT

The Funding Assurance report dated May 2019 from KPMG had been discussed under agenda item 10.

15.2. AUDIT COMMITTEE DRAFT MINUTES – 24TH JUNE 2019

The Board received and noted the draft minutes of the Audit Committee meeting of 24th June 2019.

16. POLICY DIGEST

16.1. AUGUR REVIEW

The Board received for information a copy of a FE Week summary article and a copy of an editorial review from the Guardian in relation to outcome of the Augur Review of post-18 education and funding.

16.2. ARTICLE ABOUT LONDON METROPOLITAN UNIVERSITY

The Board received for information a copy of the Higher Education Policy Institute (HEPI) Policy Note 9 on A Turnaround: Adaptive Leadership at London Metropolitan University, 2014-2018.

16.3. FE ACRONYMS

The Board received for information an up to date list of FE acronyms.

17. COLLEGE EDUCATION BOARD MINUTES

The Board received and noted the following draft minutes, and a summary of the key matters arising from each:

- a) The draft minutes of the WKC Education Board meeting of 18th June 2019
- b) The draft minutes of the CIC Education Board meeting of 19th June 2019
- c) The draft minutes of the CIC Education Board meeting of 20th June 2019

18. ANY OTHER BUSINESS

a) CEO's delegated spending authority

The Board approved a request for an increase in the CEO's delegated spending authority in order to cover procurement activity during late July in relation to a number of items, details of which had been circulated.

b) T Levels

The Board congratulated the management team on the Group becoming an approved provider for the delivery of T Levels.

c) Keeping Board members informed of success

The Board also requested that it is provided regularly with a 'good news' briefing/newsletter in order that Board members are kept informed in relation to their role in representing and acting as ambassadors for the Group.

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The Board concluded by welcoming Amanda Dickens, Chris Hyams, Lisa Weaver-Lambert and Dwain Neil as members of the Board.

Dates of future meetings:

Thursday 3rd October 9:30am - 3:00pm

Thursday 14th November 9:30am - 12 midday

Thursday 12th December 4:00pm - 6:30pm

Monday 20th January 4:00pm - 6:30pm

Thursday 13th February 4:00pm - 6:30pm

Friday 13th March 9:30am - 3:00pm

Friday 3rd April 9:30am - 12 midday

Wednesday 22nd May 9:30am - 12 midday

Wednesday 8th July 9:30am - 12 midday

Signed as a correct record: _____

Alastair Da Costa, Chair of the Board