



CAPITAL CITY COLLEGE GROUP BOARD: 25th SEPTEMBER 2020

TELEPHONE CONFERENCE MINUTES: SPECIAL MEETING

PARTICIPANTS	Alastair Da Costa (Chair), Roy O'Shaughnessy (CEO), Amelia Sussman, Amanda Dickens, Mel Brookstone, Anthony Smith, Chris Hyams, Shane Chowen, Sharon Saxton, Lord David Triesman, Anthony Impey, Lisa Weaver-Lambert, Sarah Ebanja
IN ATTENDANCE	Graham Drummond (Clerk), Kurt Hintz, Rachael White
APOLOGIES	Maarten Zuurmond, Sanna Jordansson
DECLARATIONS OF INTEREST	None

This special meeting had been called for the purpose of approving the 2020/21 budget.

1. UPDATE FROM EXECUTIVE PRINCIPAL AND CHIEF EXECUTIVE

The Executive Principal was asked to give a verbal update on enrolment and the start of the academic year. The Board noted that:

- A different pattern with respect to enrolment numbers is beginning to emerge as compared to previous years. For 16-18 learners, whilst City and Islington College has broadly recruited to target, in other areas of the Group such as at Westminster Kingsway and at CONEL, numbers are below target. It is therefore anticipated that at the time of the first learner number return in November (RO4) enrolment could be up to 1000 below target, which will affect funding in 2021/22 through the lagged learner methodology. Opportunities to provide courses to those learners who drop out of local sixth form colleges may materialise, because more students than in previous years achieved the grades needed to study A levels (through the centre assessed grade process);
- With respect to adults, enrolment has been slow and numbers for full time courses are likely to be down in comparison to previous years. Opportunities to deliver shorter, employment focussed courses are likely to materialise throughout the year and it is anticipated that the Group will generate sufficient activity to meet the 90% threshold required to meet the entire contract value;
- Recruitment for adults taking out loans for level 3 courses is below target and so is recruitment for higher education courses, although the financial impact of this is not substantial;
- Enrolment, particularly in the early stages of the main enrolment period proved to be problematic as a new management information system (MIS) was used; the use of an online enrolment process also had teething problems, particularly in relation to the scanning and storing of documents such as residency evidence. This may have impacted on recruitment, however the Board noted that the vast majority of issues have now been resolved;
- In some areas of the Group, such as in Health and Social Care (levels 1-3) at City and Islington College, enrolment has been healthy and has exceeded target.

The Board noted that notification has been received that the FE Commissioner and his team will be carrying out a monitoring visit on 5th and 6th November. The Board noted that considerable progress has been made in relation to addressing the recommendations made by the Commissioner during the diagnostic visit in March of this year. It was further noted that collaboration opportunities are materialising with Chichester College (who are part of the Colab Group) and it is anticipated that a memorandum of understanding is close to being

agreed with the Luminate Group (Leeds), Newcastle College Group (NCG) and Birmingham Met College. RO

The CEO gave an update on other developments and it was noted that:

- Following a competitive tendering exercise Allford, Hall, Monaghan and Morris (AHMM) have been appointed as the architects to design a proposal for the Regents Park site, which has not re-opened since lockdown restrictions were relaxed. A number of options still exist with the development of this site, including partnering with a co-investor to develop the site or to sell the site with planning permission. At present, the project is at pre-planning permission stage. A proposal will be considered by the Board in due course;
- The Marlborough building has not been re-opened, with the majority of its provision re-located to the Centre for Business Arts and Technology. With the need for increased social distancing, particularly in relation to the running of exams during the Autumn, consideration may need to be given to re-opening this site for a limited time period and for limited purposes.

It was noted that consultation was due to start in the near future on the contents of the Group's 2020-23 strategic plan. A workshop will be scheduled to consider the draft contents of this plan, which the Group Leadership Team have recently considered and agreed upon. GD

It was further noted that the Search and Governance Committee had met the previous night and it had been agreed to recommend to the Board that a search should commence with the intention of appointing independent board members (up to 3) from a BAME background. It was the view of the committee that the Board should be more pro-active in meeting its diversity targets as were agreed in November 2019. The Board agreed with this proposal. It was also noted that the committee were of the view that the role of the education boards should be reviewed and a paper would be drafted by the Director of Governance in this regard. GD/AD

2. SAFEGUARDING POLICY APPROVAL

An updated safeguarding policy was considered and received. It was agreed to approve the policy, subject to comments being sent to the Director of Governance which would be considered for inclusion by the Group's Head of Safeguarding. GD

All/GD

3. APPROVAL OF 2020/21 BUDGET

Included within the report was a brief update on the anticipated financial position for the 2019/20 financial year. It was noted that the operating position will be a £4.5m deficit prior to pension adjustments (and an EBITDA of £5.8m) – which is an improved position from the one previously reported at the last meeting which was a deficit of £4.6m. It is anticipated that this will return the Group to a financial health status of good as defined by the ESFA. The Board were of the view that this was a commendable achievement considering that in the previous year an operating deficit of nearly £10m had been reported and the Coronavirus has had significant impact on a number of income streams. The board noted that without the impact of the pandemic the operating deficit would have been in the region of a £2.5m deficit.

The 2020/21 budget was considered and the following was noted:

- The finance oversight group has considered a number of possible 'flight paths' that the budget might follow and the adoption of a balanced budget target is included within the report. Costs will need to be reduced in order to meet the expectations within the budget and there are a number of restructures currently being consulted upon, which will be concluded prior to Christmas;
- Details of the risk associated with not meeting budgetary targets were provided within the report and include the possibility of not meeting enrolment targets, as discussed in item 1 of the meeting. However, the group has been informed that it will receive a number of grants in this financial year which include:
 - A £1.25m GLA grant to support adults to study high value courses;
 - A grant of £900k to support small class sizes for 16-18 students to mitigate against the disruption to learning as a result of the pandemic;
 - £4.5m Capital Grant in 20/21 to support estates enhancements and IT infrastructure.It was further noted that the budget has included a prudent estimate of the level of ESF funding that is likely to be received during the year and there is a possibility that this will be exceeded.

The board noted that the total amount of income included within the budget is higher than in previous years, despite the pandemic. This is mainly due to the increase in 16-18 funding that was allocated by the ESFA for this financial year; however it was further noted that the impact of the pandemic has been to reduce the levels of commercial income by around £5m. Ways in which CCCG can mitigate this loss in revenue are being looked at, and a commercial strategy will be considered by the Board in due course.

A cashflow forecast was included within the paper and it was noted that cash would be at its lowest in July 2021 at 35 days. This will be monitored closely. RO

£8m worth of capital expenditure is included within the budget, which includes £3m worth of spending on laptops. CCCG continues to seek ways in which to support its students with access to laptops and broadband so that they can access online learning more effectively. Anthony Impey offered his expertise in this regard which was gratefully received.

The Board approved the budget which included the achievement of a break-even position and a capital budget of £8m.

The next formal meeting is scheduled for 30th October.

Signed as a correct record: _____

Alastair Da Costa, Chair of the Board