

CAPITAL CITY COLLEGE GROUP BOARD: 21st JANUARY 2021

Minutes of a meeting held via telephone conference

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| PARTICIPANTS | Alastair Da Costa (Chair), Roy O'Shaughnessy, Amanda Dickens, Chris Hyams, Shane Chowen, Lisa Weaver-Lambert, Lord David Triesman, Maarten Zuurmond, Sharon Saxton, Anthony Smith, Desmond Corlis, Precious Ayei-Boateng (for item 5), Sarah Ebanja, Amelia Sussman, Sanna Jordansson, Colin Booth (advisor) |
| IN ATTENDANCE | Rachael White, Kurt Hintz, Graham Drummond (Clerk), Nick Carey, Amanda Cowley, Peter Marsh (item 1) |
| APOLOGIES | Luke Willmoth, Anthony Impey |
| DECLARATIONS OF INTEREST | None |

1. **ESTATES STRATEGY: REGENTS PARK AND MARLBOROUGH BUILDING** Action

A report prepared by Peter Marsh Consulting Ltd was presented. The following was noted:

- The estates strategy which had been considered by the Board in November 2018 had identified an excess of space at the Marlborough and Regent's Park sites. Since then, the activities of both sites have been absorbed into other buildings within the Group's estate and have been vacant since the start of the first lockdown in March of last year;
- Contained within the report was a recommendation to proceed with the sale of the Marlborough building. Gerald Eve have been appointed as the agents following a competitive selection process. It will take some additional time to put in place the marketing arrangements, however it is expected that the sale process will start in spring time;
- With respect to Regent's Park a design for a housing-led rebuilding scheme which would include a lettable ground floor for education, retail and / or hospitality is ready for pre-application submission. A meeting with senior staff at Camden Council is due to take place in the near future;
- There remain a number of options with respect to the development or sale of the Regent's Park site, as detailed on page 3 (section 5) of the report, which include selling the site with full planning consent. Its formal planning designation remains for educational use and it is the view of the sales agent that completion of the pre-application process will assist in determining the market value of the site, and therefore the best course of action with respect to determining the optimum way of extracting value. A possible course of action might be to start a sale process in July, for which Board approval would be sought.

Board members discussed the contents of the paper and were in agreement with the proposal to sell the Marlborough site. As part of this discussion the following observations were made:

- The DfE have recently released details of the process and schedule for their Capital Transformation Programme. One course of action might be use the proceeds of the sale of the Marlborough site to match any funds that the Group might secure from this capital grant opportunity. There are also capital match funding opportunities with Councils, such as with Westminster Council for the Soho site. These opportunities continue to be explored;

- In the next five years there will be a demographic spike in the number of 16-18s and assuming that the Group maintains its market share, there will be an increase in the number of young people studying at CCCG. Regardless of this, it is not anticipated that the Marlborough will be needed to accommodate any growth in numbers or to fulfil the requirements of the Group's curriculum strategy. It was further noted that curriculum planning has been carried out for each site to inform the Group's estates strategy and an overall estates strategy for the Group will be brought to the Board in due course. The Group has sufficient accommodation across all of its remaining sites to meet the requirements of its curriculum strategy and the recently published FE White paper. At the Angel site there are opportunities for development and the relocation of courses; for example, public services courses have recently been moved to the Centre for Applied Sciences.

PM

It was agreed that an investment plan would be devised for the use of the sale proceeds from the Marlborough building and this would be based on an analysis of a hierarchy of achievement with respect to educational output and the maximisation of any red book value. This investment plan will be brought to the Board for consideration and approval. It was further noted that Lord David Triesman would be happy to provide advice with respect to the options for the Regent's Park site.

DT

Some concern was raised about whether due to the impact of the pandemic and the fact that organisations are requiring, and may continue to require, less space for their workforce that the Group risked not extracting the maximum value from any possible sale of both sites. It was noted however that the demand for housing is strong within London and the location of both sites, especially the Regents Park site, continue to place them in a good position to gain a sale price in line with pre-pandemic market prices. It was further noted that house prices in London have remained high during the pandemic.

Members noted that the CEO would be informing key stakeholders such as Islington Council and local MPs of the decision to sell the Marlborough building and to provide reassurances that the Group will continue to meet local needs. It was also noted that accommodation projects at CBAT such as to turn space currently used by business support staff into teaching space, was not dependent on the receipt of capital proceeds from the sale of the Marlborough building.

RO

The Board approved the following resolutions:

- To approve the disposal of the Marlborough building on the open market at the most advantageous price;
- To approve the marketing of the Regent's Park site after the pre-application response is received from Camden Council in order to test the market and to determine whether an outright sale, long term let, or alternative form of agreement for redevelopment of the site would extract the best value from the site. Approval for the pursuance of any one these options would be sought from the Board.

The following conditions recommended by the Finance Oversight Group were also agreed:

- The proceeds of the sale are to be used to fund a capital project for the purpose of improving CCCG's estate, or an investment project in line with the Group's strategic plan. The details of this project will be brought for consideration and approval by the Board in due course;
- The proceeds of the sale are to be ring-fenced within CCCG's balance sheet and to be specified separately from general cash reserves, going forward.

2. CEO AND GLT UPDATE

The CEO provided a verbal update. It was noted that:

- The FE White paper had been published earlier in the day. A summary of its contents would be circulated to the Board in due course;

GD

- With respect to the development and approval of the Group's three-year strategic plan its contents have been re-drafted following the workshops and consultation exercises that took place prior to Christmas. Senior curriculum staff are carrying out final consultation with students on its contents and Key Performance Indicators (KPIs) prior to consideration at the Board's February meeting, with a view that final approval will be sought at the Board's meeting in March;
- At a broad level it was recognised that the quality of online teaching and learning needed to improve, and that a significant proportion of students were not satisfied with its quality. More detail was provided within the quality report.

Further discussions and presentations have taken place with respect to an opportunity to partner with Founders Ed. If approved, CCCG would be the first UK institution to partner with them. It was noted that a detailed proposal was close to completion and that separate meetings would be organised next week for the Board to consider the opportunity and implications associated with forming this partnership. A further special meeting of the Board would be organised to seek approval to move to the next stage of the project at the end of next week, or the start of the week commencing 1st February.

GD

A quality update report was received and the following was noted:

- Due to the restrictions associated with lockdown, teaching has moved back to being delivered 100% online;
- Pre-lockdown timetables are being adhered to and student attendance is comparable to previous years;
- Sites are remaining open to cater for the needs of a limited number of vulnerable students;
- In the main, all exams including VTQ exams, have been cancelled. There are a small number of examinations for occupational courses e.g. AAT, which will still go ahead. It was further noted that the cancellation of exams has considerable potential impact on the mental health of students;
- Laptops have been issued to those students who have indicated that they do not have one. In the previous week to this meeting, around 1000 laptops were issued. Further laptops will be made available from the DfE at the end of February;
- A recent survey indicates that 20% of students are dissatisfied with the quality of online teaching and that 5% are highly dissatisfied. Ways in which to address this are being explored;

The Board noted the difficulties in measuring the impact of the pandemic on the quality of teaching and learning, and that normal pre-pandemic patterns were not applicable. It is also difficult for teachers to measure and plan students' progress, as well collate evidence of their progress.

A verbal update on the Group's finances and funding position was received. It was noted that:

- Some of the potential risks identified within the budget e.g. with respect to HE and FE loans, Commercial Income and Apprenticeships have been realised. At present, an operational deficit of £2.5m is anticipated for the end of year. This will result in a positive EBITDA position which will result in a financial health status of 'good', as determined by the ESFA;
- Costs associated with Covid are currently overspent by £300k;
- A key determinant as to whether the Group will reach its budget of delivering a break-even operating position is whether the GLA will provide additional leniency with respect to the threshold for achieving the Adult Education Budget contract. Currently the threshold stands at 90% and the Group is on a trajectory to achieve 79% of its target. An announcement is expected during February;
- The issue of whether a pay award is provided to staff also needs to be resolved and will have an impact on the ability of the Group to deliver a break-even position.

Further consideration will be carried out by the remuneration committee and the finance oversight group prior to a recommendation being considered by the Board;

- Seven staffing restructures have taken place since the start of the academic year. The Group has also imposed strict controls on expenditure which have delivered considerable improvement in financial performance.

With respect to the risk areas that were not expected to deliver income in line with the budget, it was the view of the Board that these were areas for which a shortfall in income could have been anticipated. Further to this, it was recommended that the Group's HE strategy should be reviewed so that it is clear under what circumstances HE courses are taught. This strategy should be aligned and informed by the Group's three-year strategic plan.

KH

3. MEMBERSHIP UPDATE

A board membership update was considered and received. It was noted that:

- Currently there are 17 members in total, including 13 independent members;
- Maarten Zuurmond has indicated his intention to stand down by the end of the academic year.

In line with the recommendation contained within the report, the appointment of Peridot was approved, for the purpose of searching for two independent members, one with senior leadership experience within FE (in line with the recommendation made by the FE Commissioner) and one with accountancy / finance experience. It was further noted that Peridot's services will be provided free of charge as part of the DfE support to those institutions who are subject to FE Commissioner visits.

Included within the report was an analysis of the Board's diversity profile and its progress in meeting the targets which were agreed in November 2019. It was noted that with respect to age and ethnicity these targets had been met. The term 'non-exclusively white' in the covering report was questioned and it was agreed that the term would not be used in the future.

The College Education Boards had their last meetings in December and new arrangements for stakeholder engagement are being devised and will be reported to the Board in due course. It was noted that with respect to student engagement the intention is to establish a student council which will meet on a bi-termly basis. Amanda Dickens has expressed interest in joining this group and other members of the Board were encouraged to contact the Director of Governance to express their interest in joining

Lastly the recommendation to appoint Simon Horne as a member of the Quality Oversight Group was approved.

4. ANNUAL HUMAN RESOURCE REPORT

The annual Human Resources Report was considered and received. It was noted that:

- There has been a considerable turnover of staff within the HR team over the last twelve months, at the same time as a considerable amount of change within the organisation. For example, seven staff restructures have been consulted upon and implemented since September;
- The following key priorities have been agreed for the HR team over the next six months:
 - The harmonisation of HR Policies
 - The approval of a group wide reward strategy
 - The development of a coaching culture
 - The further development of Health and Wellbeing
 - Introduction of management development
 - The development of a people strategy which underpins the CCCG three year strategic plan

- With respect to the pattern of employee relations (ER) casework, it was noted that there is an inconsistent pattern. For example, there are 78 cases at CONEL and only 18 at WKC. It was further noted that this could be partly explained by an inconsistent approach to the management of staff across the Group and the resolution of this will be key focus for GLT over the next 12 months.

With respect to the number of professional development reviews (PDRs) that have taken place, it was noted that the rate was 50%. The GLT and the HR team are looking into way in which this rate can be improved across the Group. The Board challenged with the completion rate of registers by individual staff members could be included with the performance appraisals of teaching staff. It was noted that register completion is a statutory requirement for all teachers regardless of the educational sector and compliance is measure and monitored on an ongoing basis. Completion rates would therefore not be added to the performance appraisal process unless there were significant performance issues in this area.

The need for policies to be negotiated with Trade Unions was questioned. It was noted that the requirement was for policies to be consulted upon with staff, and there was no external requirement for negotiation. The contents of a union agreement signed a number of years ago, require policies that impact on the conditions of service to be negotiated.

The Board recognised the difficulties that have been associated with improving the service provided by the HR team and commended the work that has been carried out in this regard.

5. ANNUAL EQUALITY, DIVERSITY AND INCLUSION (EDI) REPORT

The annual EDI report was considered and received.

The report included gender analysis of staff and students. The Board questioned whether students are permitted to declare their gender as non-binary, and it was agreed to report back on whether this was the case and if so how many declare in this way. GD

EDI is embedded within the Group's curriculum and its intent. This is an Ofsted focus and one which the Group scored highly in, at its last inspection. The Group's approach to lesson observation also considers how EDI has been embedded.

Lastly, it was agreed that the Board's diversity profile would be included within the report. AC

The dates of next meetings are:

Friday 12th February 2021 9:30am

Wednesday 31st March 2021 4:00pm

Friday 28th May 2021 9:30am

Wednesday 7th July 2021 9:30am

Signed as a correct record: _____

Alastair Da Costa, Chair of the Board