



CAPITAL CITY COLLEGE GROUP BOARD: 22nd OCTOBER 2021

PARTICIPANTS	Alastair Da Costa (Chair), Amelia Sussman, Roy O'Shaughnessy (CEO), Lord David Triesman, Anthony Smith, Chris Hyams, Sharon Saxton, Sanna Jordansson, Anthony Impey, Martin Zuurmond, Toyin Odutayo, Desmond Corlis (Staff member), Sinem Bozkurt (Student member), Jenesha Chin (Student member)
IN ATTENDANCE	Colin Booth (Adviser), Kurt Hintz (Executive Principal), Rachael White (Chief Financial Officer), Graham Drummond (Director of Governance), Hilary Moore (Group Designated Safeguarding Lead and Assistant Principal, CONEL) [Item 4], Graham Cooper (Clerk)
APOLOGIES	Asfa Sohail
DECLARATIONS OF INTEREST	None

The Chair advised that Lisa Weaver-Lambert had given notice of her resignation from the Board with immediate effect (rather than at the end of the term, as previously advised) due to the commitments of her new job. The Board expressed its appreciation for Lisa's contribution to the work of the Board and her support for the Group throughout her time as governor.

The Chair welcomed everyone present to the meeting and reminded members to advise the Director of Governance of any new appointments or accolades that they have been associated with. Lord Triesman advised that he has recently become Chair of the Appointments Panel of the Independent Press Standards Organisation, and the Board congratulated him on this appointment.

The Chair advised that he had reached the end of his three-year term as a Social Mobility Commissioner. He and the other outgoing SMC Commissioners had sent an open letter to the Prime Minister outlining their achievements and their hopes for the future in terms of issues to be addressed by the incoming Commissioners.

1. MINUTES OF MEETING HELD ON 7TH JULY 2021

The minutes of the meeting of 7th July 2021 were approved as an accurate record.

2. NOTES OF MEETING HELD ON 16TH SEPTEMBER 2021

The notes of the meeting of 16th September 2021 were approved as an accurate record.

3. MATTERS ARISING

The Board noted the following:

Meeting held on 7th July 2021

- With respect to item 4.1.1 the following contracts have been signed:-
 - Cleaning – contract signed with Brayburn Ltd;
 - Security – contract signed with Corps Commissionaires;
 - Fire Safety – following the outcome of a procurement exercise, multiple suppliers are being used, each contract is within the Chief Executive Officer's (CEO) threshold and has therefore been approved by the CEO and/or by the Chief Finance Officer (CFO)
- With respect to item 4.2, the constitutional documents relating to 01 Founders have now been fully executed.
- With respect to 5.1 and the management accounts – a breakdown of Other Liabilities (c. £18m) was included within the financial update paper for this meeting;

Members noted that a governor alumni drinks event will be held after the Board's December meeting

Meeting held on 16th September – workshop notes

- The update on 01 Founders has been deferred until the Board's October meeting, to enable this to be presented in person by Joysy John, 01 Founders CEO. The meeting will be held face to face at the Regent's Park site and this will provide an opportunity for members to see how the site has been transformed to accommodate 01 Founders.

All other matters arising have been actioned – or are included within the agenda.

4. SAFEGUARDING

4.1 ANNUAL SAFEGUARDING REPORT 2020/21

The Board received the Annual Safeguarding report and the Board noted:

- The report sets out the work undertaken across the Group to safeguard young people and vulnerable adults. Due to impact of lockdown, it includes additional measures at each College to enhance safeguarding, including providing additional internal and external support mechanisms for students.
- The report highlights the trend in increased number and breadth of cases related to mental health. This, and also keeping safe online, have been areas of particular focus. The analysis of cases also reflects the different student populations and age demographics across the Group's centres.
- The results of the recent learner induction survey again showed a high level of positive responses (over 91%) to the question as to whether learners feel safe. From previous follow-up research, a factor leading to some learners not replying positively to this question is safety travelling to or from college, rather than in college. Another significant question in the survey relates to whether learners know how to raise concerns, which is a focus of posters, screens and training across the Group.
- With respect to oversight of safeguarding, the Board noted that:
 - The Board has a responsibility to ensure that there are effective systems in place, whilst day-to-day responsibility for safeguarding is delegated to the executive team. This is underpinned by a structure of trained Designated Safeguarding Leads, access to professional counsellors and an established process for making referrals to external agencies. A robust system of reporting all safeguarding activity is in place.
 - Safeguarding has been included within the Board's training plan. Subject to the Board deciding to subscribe to the Education Training Foundation Governor training, this will include an online module on safeguarding.
 - The Audit Committee has asked RSM to conduct an internal audit on safeguarding systems as part of its 2021/22 schedule, in order to provide the Board with additional assurance.

4.2 SAFEGUARDING POLICY

The Group's updated Safeguarding, Child Protection and Adults at Risk Policy was received for review and approval. The Board noted:

- A crucial aspect of the updating is to reflect key additions in the DFE's guidance document, "Keeping Children Safe in Education" (KCSIE) 2021. The policy sets out roles and responsibilities and how safeguarding is managed consistently across the group using common systems and procedures. The separate but linked Safeguarding Procedures and Information provides further detailed guidance.
- The policy review has been driven by the Group's Designated Safeguarding Leads (DSLs) and the Group Safeguarding Board and the policy has been reviewed by individual college senior management teams and at a workshop style session by the Group Senior Management Team, resulting in minor amendments prior to the policy and procedures now being presented to the Board for approval.
- KCSIE this year includes a significant focus on raising awareness of and addressing sexual harassment and sexual violence, a focus that is reflected in the revised policy, along with further emphasis on issues relating to county lines.
- The policy is a key component of the safeguarding training modules in the induction training for new staff and refresher training for returning staff. Other aspects of the Group's safeguarding awareness campaign are included as part of learner inductions, and posters displayed in each campus

The Board **APPROVED** the updated Safeguarding, Child Protection and Adults at Risk Policy and noted the associated procedures included in the papers circulated for information.

5. CEO REPORT

The CEO presented his report and the Board noted:

- The Group is continuing to make good progress in relation to its three broad aims of consistently good teaching, financial sustainability and organisational cohesiveness. Based upon all key indicators it is reasonable to assume that the Group is on track to achieve grade 2 at its next inspection.
- With respect to financial sustainability, the Group currently has 103 days cash in hand, with the lowest point during the current year forecast to be 95 days at Christmas. This compares favourably to the ESFA's minimum recommendation of 25 days and the 60 days which the Group has hitherto regarded as a strong position. It reflects the firm control that has been taken of management of the day to day finances.
- Progress in relation to consistently good teaching and organisational effectiveness is covered in other reports on the agenda for this meeting.
- With regard to managing the impact that further industrial action is likely to have on the student experience and learning, the CEO has met with student representatives to seek their views. The Group's management team are working on detailed plans to minimise the disruption and to ensure the classroom experience continues to underpin learning, supported by online teaching as necessary. The CEO emphasised that the approach being taken is not to be constrained by existing practice, but at every moment to consider, first and foremost, how the Group can do the best for its students. Also of crucial importance is the Group being fair to all its staff, recognising that the Group has more staff that are not union members than staff who are, and remaining mindful that staff who are union members also wish to do the best for their students, whilst being obligated to act in accordance with union directives. The Group is committed to principles of fairness and believes that it has made an offer to staff, as agreed by the Board, that is fair and appropriate in the current circumstances.
- As part of its commitment to constant improvement, the Group has completed a review of internal governance and leadership.
- With regard to the Group's accommodation strategy, notification was received late yesterday that there is a high likelihood that the current offer on the Marlborough building will be withdrawn due to planning permission issues, although this has yet to be confirmed. In the event of this sale falling through, there were other offers on the table, but at a lower price. An update will be provided to the Board once the position has been clarified.
- A launch event for Visionnaires is due to take place at the Victoria campus on 11th November, to which Board members are invited.
- This had been a busy week for the Group hosting a number of separate visits, which have included the Korean ambassador and the Secretary for Education and his ministerial team. The latter visit was particularly fruitful, leading to the potential for the Group to provide hospitality training for a couple of major hotel groups, replacing plans that those groups were developing to start their own hospitality school. Also, yesterday, the Group hosted a visit made by the Shadow Secretary for Education.
- Notice has been received that a further FE Commissioner visit will take place on 19th November. The visit, which will be face to face, is to be carried out by three commissioners and comprises a reduced schedule as compared to previous visits. Initial responses have been drafted on progress in relation to the four recommendations arising from the visit in April 2021 and invitations have been issued to Board members due to meet with the commissioners.
- The Board discussed further the current position with the trade unions in relation to the pay negotiations:
 - The CEO explained that the Group has made a fair offer, which has been rejected by UCU and further strike action is anticipated. UCU have declined to provide information regarding the number of members who previously voted for strike action in each centre, but in the last week of industrial action, a total of 191 teaching staff had taken part. All staff have now returned to work. A robust plan will be implemented in order to ensure the quality of the student experience and learning is maintained in the event of further strike action.

- The Executive Principal reminded the Board of the three strands of the current negotiation:
 - a) Pay: The group has made a consolidated offer for two years and is keen to reach agreement on the two-year deal so as to avoid any further potential disruption to the student experience next year. For a standard teacher's pay, the offer amounts to c. 1.5% for the first year and c. 1.0% for the second year. Additionally, harmonisation, which applies to staff not yet on CCCG contracts, mainly CONEL and some CIC staff transitioning from old contracts, will mean a higher overall increase, amounting to 8-10% over the two years. The Group has worked hard to reach a position of achieving the financial means to offer this harmonisation, which is a significant step forward.
 - b) Teaching and Learning Policy: Whilst the new policy has been implemented, the union continues to object to the provisions with regard to classroom visits, notwithstanding the comprehensive consultation that took place its implementation and that its development was carried out with cross reference to practice across the FE sector. The intent behind the policy is to develop a coaching approach to the continual improvement of teaching practice.
 - c) Workload: particularly the burden of ancillary and administrative tasks outside the classroom. The Group has offered a working group to look at these issues in detail, working with union and other staff representatives.

These three elements are being negotiated as a package, which the UCU has so far rejected.
- The Executive Principal advised that the NEU is also understood to be balloting its members on possible strike action specifically in relation to the issue of the Teaching and Learning Policy. Discussions are to take place to seek to avoid this.

The Board noted the potential for trade unions to raise matters with Board members directly and possibly individually. The Board expressed its unanimous support for the position being negotiated by the Executive Principal and his team and agreed that all communication with the union must take place in accordance with the authority that the Board has given to the Executive team as its appointed representatives.

Additionally, the Board unanimously agreed that it is not prepared to jeopardise the financial sustainability of the Group and is not willing to use capital receipts or mortgage any of the Group's assets to meet the cost of a pay increase for staff. Any pay rise must be sustainable, be funded from revenue streams and fit with the Group's future operational plans.

6. ENROLMENT UPDATE

A report was received and considered. Board noted:

- This year's face to face enrolment process involved fewer operational problems as compared to the previous year's online process that was implemented due to Covid-19 lockdown restrictions.
- For 16-18 year-olds, the Group has not reached its target of 9,700 learners, but has reached 9,200 learners, which is in excess of the 9,040 required by the lagged learner number funding methodology for next year. The number is expected to increase further by the final submission date in November. Whilst the Group has not achieved the growth that was hoped for and which would have led to an increase in funding for next year, the impact on next year's funding is expected to be negligible.
- Trend data confirms that there has been no decline in new 16-18 year old learners, which had been a potential concern raised by the FEC. New starts of 16-year olds entering from school, which had dipped to 4,200 last year, has recovered to just over 5,000. Whilst not back at pre-Covid levels of 5,500, the recovery is encouraging. As there are fewer progressing learners this year as a result of last year's dip and noting also a trend as a result of the TAG process for more students to remain at school instead of moving to college 6th form, the full extent of the bounce back is likely to take place over two years. The Board noted that targets in some areas had therefore been set at a level that was arguably unachievable. This also explained why efficiencies from increased class sizes are below target.
- With regard to AEB funded learners (19 years plus), the bounce back from last year impact is also positive. The Group earns almost half of its AEB budget from learners who enrol during August and September. From a funding point of view, the estimate as at the end of October is just over 100% of target.
- Adult Education Loans are at 110% of target.

- HE is marginally below target, but in overall financial terms is not significant. The Group's strategy is to focus its HE provision on areas that it specialises in, and in those areas enrolment has gone well, compared to enrolment in more generic areas.

7. QUALITY OF TEACHING AND LEARNING UPDATE

The Group Quality Update report was received, which the Chair of the Quality Oversight Committee advised had been reviewed in detail. The committee had been pleased with progress and the improvement achieved, although in some areas the results remain below national benchmark and momentum therefore needs to be sustained.

The Executive Principal advised that since the committee meeting, further achievement data had been received. The data was summarised in the scorecard, which included a RAG rated comparison to national rates. Comparison was difficult due to national rates including the TAGs for 2019-20, which had been problematical, so comparative pre-pandemic data for 2018-19 was also included. The updated data shows that achievement rates are now above national benchmark and target for all age groups, with overall achievement at 87%, being 84.1% for 16-18 year-olds and 89.6% for 19+ learners. This is a strong position, in terms of headline rates, in the context of the expected forthcoming Ofsted inspection.

A focus for improvement and for the Group's quality improvement plan is functional skills, particularly maths. The Quality Oversight Committee had also highlighted that the volume of TAG appeals seemed high, although the Executive Principal explained that most of the 64 upheld appeals had been due to errors in entering the results into the awarding Body systems.

Student induction and exit surveys indicate a rating of above the target of 90% in relation to the quality of teaching.

The Executive Principal advised that based upon the data, he was expecting the self assessment process to award the Group a grade 2 for overall effectiveness and a grade 2 for the majority of other areas, in line Ofsted's Education Inspection Framework.

8. FINANCIAL PERFORMANCE UPDATE

The Board received a report on the draft financial outturn for 2020-21 and the Board noted:

- The figures stated were prior to completion of the audit, currently being undertaken by MHA MacIntyre Hudson.
- The Operating surplus for the year was £169k compared to a forecast operating deficit of £440k. This surplus was prior to any clawback of AEB funding, which had yet to be confirmed and quantified by the GLA, and also prior to statutory adjustments relating to the pension deficit.
- Income for the year was £112.3m, c. £528k higher than forecast, although this included 100% of the AEB grant.
- Pay costs were £70.2m, c. £1m less than forecast, reflecting efforts made particularly during the last quarter to maintain the in-year savings achieved. All exit and restructuring costs had been recorded as exceptional costs during the year.
- Non-pay costs were down by £1.1m, reflecting additional restrictions on non-essential spend during the last quarter.
- During the year a number of staff restructures have been completed, which has led to total exceptional costs of £4.6m, compared to a forecast of £2.3m. The purpose of these restructures has been to drive further efficiencies going forward as part of the Group's strategy relating to financial sustainability.
- With regard to the Balance Sheet, Total Reserves as at the 31st July year-end were £250.7m, with a cash balance of £16.3m.
- It is expected that this outcome will result in the Group maintaining a financial health grade of GOOD.
- Following completion of the audit, it is intended that the draft Report and Financial Statements will be presented to the November Audit Committee, with a view to a recommendation for approval by the Board at its December meeting. However, the decision on AEB funding clawback is not expected until early December. This will need to be discussed with the auditors and may affect the timing of the final signing of the accounts by the Chair and the CEO.

Whilst noting that the audit has yet to be completed, the Board commended the management team on the transformation that has been achieved in the Group's financial position over the past few years.

The CFO provided a verbal update on the management accounts to the end of September, which she explained had been completed on the previous day, which was working day 15 and in line with the FE Commissioner's recommendation. These show an operating deficit of £4.3m, which compares favourably against a budget deficit of £6.6m. Approximately £1m of this favourable variance is due to restructuring costs being accrued in the previous year's accounts. The remainder of the variance is due largely to timing differences in receipts and payments. The first reforecast for the current year will be undertaken at the end of October and will require a review of costs including the additional costs being incurred to ensure capacity to support students during the periods of strike action.

The CFO also highlighted, as reported earlier in the meeting by the CEO, that the current cash position (28.4m) is 103 days cash in hand, with a lowest forecast position during the next twelve months of 95 days. This is a very strong position, and whilst there would be an impact in the event of a clawback of 2020-21 AEB funding for 2020-21, this would not be material.

The Board also noted plans for enhancements to the format of the presentation of management accounts going forward, including in particular the narrative relating to variances. This is likely to be implemented from January.

9. INTERNAL AUDIT PLAN 2021/22

A report was received and the Board noted:

- The Audit Committee met on the 5th October. As part of this meeting, a draft internal audit plan was considered. The original draft included proposals to carry out audits on the quality arrangements for teaching and learning and the governance arrangements of the newly constituted subsidiary companies. It was the view of the committee that due to the Group anticipating an Ofsted inspection during the year and that as the subsidiary companies had only recently been constituted, both of these audits could be carried out in future years. However, the committee did agree that the inclusion of an audit of safeguarding arrangements would be prudent.
- RSM have confirmed that the updated schedule of audits provides sufficient coverage for them to give a full assurance opinion for the 2021/22 financial year.

The Board APPROVED the Internal Audit Plan 2021/22 as recommended by the Audit Committee.

10. BOARD ORGANISATIONAL UPDATE

10.1 MEMBERSHIP UPDATE

A report was received and considered and the Board noted:

- Three board members have stood down during the summer (Sarah Ebanja, Shane Chowen and Amanda Cowley). Also, as advised at the beginning of the meeting, Lisa Weaver-Lambert has also stood down as a member of the Board – and also as a director of Vsparks (Visionnaires) with immediate effect.
- The Board has agreed to use Peridot to carry out a search for up to three new independent board members. At its meeting on 23rd September, the Search and Governance Committee considered the Board's diversity profile against the targets set by the Board at its meeting in November 2019. With respect to addressing the age profile being below target, the specification to be used by Peridot for the recruitment of new members has been written with a view to encourage younger applicants. With regard to areas of professional expertise, the Search and Governance Committee has determined that in light of the estates strategy, it would be useful to appoint a Board member with a specialism in property management, although the specification used by Peridot has been kept deliberately broad. The deadline for applications is 1st November, following which the Search and Governance Committee will shortlist candidates
- With regard to student members, following interviews of four candidates on 23rd July, two student members have been appointed to the board for one year, both of whom are present at this meeting: Sinem Bozkurt (BTEC level 3 Engineering student at WKC) and Jenesha Chin – (PGCE student at CONEL).
- With respect to committee membership, recent changes to Board membership have led to a number of vacancies. It is expected that the appointment of three new independent members will

resolve the vacancy issues, although it is also the intention is to appoint two co-opted members to the quality oversight committee. Additionally, Sanna Jordansson has moved from the Quality Oversight Committee to the Audit Committee.

- With respect to subsidiary company directorships, Sharon Saxton has agreed to act as Chair of Visionnaires on an interim basis until the Board makes further independent appointments. Roy O'Shaughnessy and Rachael White have been appointed as directors of Capital City College Enterprises Ltd and another board member will be required going forward.

The Board ratified all these changes to membership

10.2 GOVERNANCE SELF-ASSESSMENT

A report was received. The Board noted the outcomes of the self assessment process which had comprised of the Education Training Foundation (ETF) review and the annual review by committees. As a result, a board improvement plan has been developed which includes:

- a) Board member appraisals: a small working group will work up a proposal for a system to appraise the performance of board members. This will be light touch in nature and will be linked to a revised approach to governance self-assessment. It is expected that the proposal will come to the March 2022 Board meeting with the intention to adopt the revised approach in the early part of summer 2022.
- b) A more robust plan for Board members training is to be developed, an outline of which is provided under agenda item 10.4.

10.3 REVIEW OF COMMITTEE TERMS OF REFERENCE AND SCHEME OF DELEGATION

On the recommendation of the Search and Governance Committee, the Board **APPROVED** the revised terms of reference for the Quality Oversight Committee, the Audit Committee, the Search and Governance Committee and the Remuneration Committee and also the updated Scheme of Delegation.

10.4 BOARD TRAINING

The Board received a copy of the draft Board training plan that had been developed following the ETF review of governance and the committee self-assessments as already discussed. The Board noted the three areas of focus of the plan, being a) Updates about the sector, b) Behaviour and understanding the role of governor, and c) Understanding of the CCCG Group.

Priorities for training during the next twelve months were noted as relating to Ofsted requirements, the ETF Safeguarding module as discussed earlier in the meeting, and sessions on T Levels and the GLA's Skills Strategy. The Board asked also that a session is added on interpretation of management accounts and financial statements.

The Board noted that a key aspect of this plan is that the Board signs up to the ETF Governor development programme, which will be made available to all governors.

As part of familiarisation with the Group, face to face Board meetings will be organised at different Centres during the year.

The Board endorsed the training plan.

11. KEY PERFORMANCE INDICATORS

The Board received for information and noted the following reports:

- Group Dashboard October 2021.
- 2020/21 Attendance and Retention Summary as at 15 September 2021

12. SAFEGUARDING PROCEDURES

The Board received for information a copy of the Safeguarding Procedures as referred to in the Annual Safeguarding Report and review of the Safeguarding Policy as discussed earlier in the meeting.

13. CHAIR'S ACTION: FURTHER EDUCATION CAPITAL TRANSFORMATION FUND (FECTF) STAGE 2 APPLICATION

A chair's action since the last meeting was noted and it was agreed that this was in line with what had been agreed at the Board's meeting on 16th September 2021 and in line the Estates strategy which had been approved in February.

14. LETTER FROM JOHN EDWARDS, INTERIM CHIEF EXECUTIVE OF ESFA

The Board received for information and noted a letter from the Interim Chief Executive of the ESFA dated 22nd September 2021 sent to the accounting officers of college corporations and copied to the chairs of governing bodies.

15. MINUTES

The Board received for information the minutes of the following meetings:

- Audit Committee meeting of 5th October 2021
- Quality Oversight Committee meeting of 7th October 2021

DATES OF FUTURE MEETINGS

Friday 19th November 2021 – 4.00pm (changed from 19th)
Wednesday 15th December 2021 – 4.00pm
Thursday 20th January 2021 – 4.00pm
Friday 11th February 2022 – 9.30am

Thursday 31st March 2022 – 4.00pm
Friday 26th May 2022 – 4.00pm
Wednesday 6th July 2022 – 9.30am