

## CAPITAL CITY COLLEGE GROUP BOARD: 11<sup>th</sup> FEBRUARY 2022

<b>PARTICIPANTS</b>	Alastair Da Costa (Chair), Sharon Saxton, Amelia Sussman, Anthony Smith, Chris Hyams, Toyin Odutayo, Asfa Sohail, Angela Herbert, Nicole Morgan, Vincent Egunlae, Weiye Kou, Desmond Corlis (Staff member), Sinem Bozkurt (Student member), Colin Booth (Adviser)
<b>IN ATTENDANCE</b>	Kurt Hintz (Executive Principal), Rachael White (Chief Financial Officer), Graham Drummond (Director of Governance), Amanda Cowley (Director of Human Resources), Gary Hunter (Deputy Executive Principal), Nick Carey (Chief Commercial Officer), Elvie-Jo Shergold (Director of Marketing) [Item 5], Kate Bosomworth (Chair, Platform London) [Item 5], Graham Cooper (Clerk)
<b>APOLOGIES</b>	Roy O'Shaughnessy (CEO), Lord David Triesman, Maarten Zuurmond, Sanna Jordansson, Jenesha Chin (Student member)
<b>DECLARATIONS OF INTEREST</b>	None

The Chair welcomed everyone to the meeting, held at the Tottenham Centre, with some members joining on Teams.

The Chair reminded members to advise the Director of Governance of any new appointments or accolades that they have been associated with. Asfa Sohail advised that she had started a new work role, as Principal and Chief Learning Officer at London South East Colleges.

### 1. MINUTES / NOTES OF PREVIOUS MEETINGS

The minutes of the meeting of 15<sup>th</sup> December 2021 were approved as an accurate record, subject to a correction to item 8 in relation to the sale price of the Marlborough Centre. The confidential minutes of the same meeting and the notes of a workshop held on 20<sup>th</sup> January 2022 were also approved.

### 2. MATTERS ARISING

The Board noted the following:

Arising from the minutes of the meeting of 15<sup>th</sup> December 2021:

- with respect to item 2 (matters arising), the final version of the FE Commissioner report from their follow up visit in November was provided within the background section of the agenda. The Board noted that this confirmed the verbal feedback that had been provided and commended the management team on the the outcome.
- with respect to item 4.2, a draft reserves policy will be considered at the Audit Committee at its meeting on 23<sup>rd</sup> March.
- with respect to item 5.3.2, concerns surrounding satisfaction levels amongst higher education students have been discussed at the Quality Committee. The latest NSS survey highlights that results fall short of what the Group would wish to see. Options with respect to the Group's HE strategy have been considered as part of a CEO Leadership team away day and are included within the ongoing development of the curriculum strategy.
- with respect to item 9, the senior team objectives are included within item 10 of the agenda.

Arising from the workshop held on 20<sup>th</sup> January 2022:

- with respect to the first item, an information sheet is being prepared to assist governors' understanding of quality and strategic issues facing the Group, this will be circulated in due course.

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

### 3. STRATEGIC REVIEW

A presentation from the CEO providing a strategic overview had been circulated prior to the meeting. In addition to a summary of progress achieved and key challenges facing the Group, the presentation included a significant amount of supporting data, providing the Board with a deeper insight in relation to a number of key areas, including:

- CCCG Strategy 2020-23 – Priorities in relation to each of the three Strategic Themes (Our Learners, Our College and Our Colleagues).
- The CCCG Journey to date in numbers (Revenue, Operating Surplus/deficit, staff numbers and student numbers (split 16-18 and 19+).
- A breakdown of student numbers by provision type (A Levels, Vocational, ESOL, Apprenticeships, HE and Supported Learning, and an overview of each area, including key strengths, weaknesses and threats.
- CCCG's learner profile and sector comparisons.
- CCCG's financial journey to date – a more detailed breakdown of financial performance during the four years to 2020/21, together with financial benchmarking against the country's top 10 FE Colleges.
- CCCG's 2021/22 Reforecast Financial Position, with a breakdown of the operating position of each of the Group's colleges.
- Further detailed financial analysis relating to the high and low margin courses and contributions towards overheads, along with benchmarking of key efficiency ratios against London colleges.
- A summary of the Group's commercial proposition, along with an overview of current options being explored/delivered.

The Board noted the focus during this meeting on the curriculum strategy and delivery (agenda item 4) and the planned focus for the March Board meeting on commercial strategy and delivery. These are part of the process and aim of having explored growth options and reaching a Board consensus at the end of these sessions on the way forward.

The Board made the following observations at this stage:

- The data provided responded well to questions raised previously by the Board as to which areas of provision provide the highest returns and those which are the worst performing areas.
- Further discussion would benefit from the insights provided into these areas being set in the context of how the markets in which the Group operates are expected to change going forward.
- A key challenge is to understand how the Group can be the provider of choice in each area of provision, in the context of the demographic profile of the geographic area covered, and where the skills gaps are and which sectors have the highest workforce demands.
- A priority area of focus should be responding to the move by schools to retain 16-18 year-olds, and swiftly building the capacity to grow this area before the opportunity is lost.
- Advance preparations to ensure that the Group is able to deliver T-Levels as soon as possible is also important.
- The contribution from ESOL should be reviewed. Comparison with other colleges highlights that the ability to generate only a low level return from this area of provision should not be presumed.
- The percentage of the Group's income that comes from commercial activity should be considered when developing the commercial strategy. At c. 1%, this is currently low in comparison with the 5-6% seen in the case of some other college groups.
- Increasing class sizes, by as little as one or two students, has the capacity to raise contribution levels significantly.
- The Board encouraged an ambitious and innovative approach to making the Group's estate 'state of the art', as a significant differentiating factor compared to other colleges.
- Continued growth in apprenticeship provision is also a significant opportunity.

The Chair noted that branding, to be discussed later in the meeting, will also be central to the Group's development. He encouraged members of the Board to provide any further feedback to the management team, so as to further inform the discussion to be held at the March Board meeting.

### 4. CURRICULUM STRATEGY

#### 4.1 COMMERCIAL STRATEGY PROGRESS UPDATE

The Executive Principal gave a presentation on changes to the landscape and progress on the current CCCG 2020-25 Curriculum strategy. This included the Group's learner profile, the CCCG 'Curriculum

Forest' analysis of learner numbers by curriculum enrolments and level, market share across the Group's North London catchment area and the current labour market position by sector across London. He also talked the Board through progress in relation to each of the twelve key drivers in the Group's Curriculum Strategy 2020-25. The Chair noted that the presentation contained a wealth of useful information and insights and, in addition to inviting feedback at the meeting, he encouraged Board members to reflect further on the update and to provide additional feedback to the Executive Principal and CEO. Board members provided some initial feedback, including the following:

- Labour Market Conditions: Current vacancy rates present both risks and opportunities, including opportunities for the Group to work more closely with employers. It would be useful to see an analysis of destinations, including in relation to local specialisms, with some external benchmarking.
- HE provision: this remains a small specialist area and decisions on its future viability need to take into consideration the burden of significant regulation carried out by the Office for Students (OfS) and the Quality Assurance Agency (QAA).
- National Policy: Further consideration should be given to the Group's response to the Government's current 'levelling up' agenda, and articulation of this.
- Leveraging success: The strategy should include clarity on mechanisms for sharing and leveraging success across the Group's colleges and sites.
- Implications for 16-18 learners of the introduction of T-Levels and discontinuation of funding for BTECs: The need for clarity on the Group's offer/proposition to young learners who are not academically motivated, on what the Group can offer them to get them into employment – including the development of 'career maps'.
- Marketing: The Group's marketing strategy is primarily directed at potential students and the issue was raised as to whether more focus could be directed towards what the Group can offer to their workforces.
- ED&I: What is retention like for students who are from an ethnic background and what does destination data reveal about diversity and success in different areas of the labour market. This will be considered further by the quality committee.
- International: The Board noted that the pandemic has presented a significant challenge in preventing international students from entering the UK.

## 4.2 MAYOR'S ACADEMY UPDATE

The Board received an update on the Group's bid for the London Mayor's Academies Programme (MAP), which is intended to support Londoners hardest hit by the pandemic into good work in sectors key to London's recovery and long-term economic growth and job creation.

The Board noted that the Mayor has awarded Academy Hubs to the Group for successful bids, as follows:

- 1) Green industries (£250k over a two-year period): Led by CONEL, the main themes are around the retrofit sector, sustainability and the environment aligning to the construction industry.
- 2) Hospitality (£250,000 over a two-year period): Led by WKC, the main themes are supporting the industry in London with skilled workers across a diverse area of sub-sectors, such as chefs, pastry chefs, specialist Asian Cuisine outlets, food and beverage service, hotel concierge and reception, contract catering and food service sector.
- 3) Digital (£250,000 over a two-year period): Led by WKC, the main themes are in programming and coding, system support, cyber security, software development, digital marketing, and baseline digital skills for other industries.
- 4) Creative Industries (£736,545 split with Film London over a two-year period): Led by WKC, the main themes are centered around Film/TV production, Game, VFX, animation and associated skills with set design, and location work.

The Board noted the next steps for the Group in implementing these programmes:

- Establish the roles of Academy Hub Managers for each Academy Hub with relevant coordinator and admin support.
- Work closely with the GLA for benchmarking the Academies Programme Quality Mark.
- Meetings with MAP employers and training partners and facilitate training to deliver the Mayor's Workforce Integration Network (WIN).

- Develop a suite of courses in collaboration with employers and training partners to meet employer needs.

The Executive Principal undertook to keep the Board apprised of progress.

## 5. **BRANDING UPDATE**

The Chair welcomed Kate Bosomworth (KB), Founding Partner and Non-executive Chair of Platform London to the meeting, along with the Director of Marketing. KB talked the Board through the timeline of the 'Journey to Oneness' rebranding project to date since Brand Foundations were engaged by the Group in March 2021. The Board noted the considerable engagement that had taken place with external stakeholders and the various touch points with the GLT and the Board throughout this process.

The Board noted the next stages of the project:

- Following a workshop with the GLT in January, resulting in agreement on a sub-branded model, the next step is to originate a new name to replace the existing 'Capital City Colleges Group'. A recommendation will be made to the March Board meeting. It was agreed that a sub-group of governors will be organised to review the proposals prior to the recommendation to the Board. The decision on the Group re-naming will be followed by looking at the sub-branding of each college.
- The naming strategy will be followed (March to June 2022) by development of a new Visual Identity, with recommendations to be made to the May Board meeting. This will then culminate in the issue of new Brand guidelines. Rebranding will touch all parts of the Group and the roll-out will involve a major immersive experience for all staff, involving a series of carefully planned communications and briefings.

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The Board endorsed moving forward on the basis of the sub-branded model, and the forward plan as proposed, stressing the importance of ongoing consultation with stakeholders, including local communities and the Local Authorities in the Group's catchment area.

## 6. **FINANCE UPDATE**

The Board received the management accounts for the 5 months to 31<sup>st</sup> December 2021 and the Q1 Financial Reforecast for 2021/22. The following was noted:

- Against a budget operating deficit for the 5 months of £2.6m, the actual operating deficit is £2.4m.
- The £165k positive variance is a consequence of variances in income and pay and non-pay expenditure.
- The Q1 reforecast for 2021/22, undertaken on a bottom-up basis in November, shows a break-even operating position in line with the original budget, but with compensating differences in areas of income and costs, which include:
  - Income is forecast at £700k above budget, due to a more accurate forecast following finalisation of start of year enrolment numbers
  - Pay costs are forecast at £711k higher than budget due to the pay award for staff agreed in the latter part of 2021. This had been funded from the £1m exceptional costs budget that had originally been set aside to fund restructuring costs during the year which was no longer needed as a consequence of the restructurings having been undertaken, and the costs taken, during 2020/21. No further pay increases are expected or forecast during the current year, but negotiations for next year, due to commence after Easter, are expected to result in further upward pressure on pay costs for next year.
  - Non-pay costs are forecast at £980k higher than budget, predominantly due to additional subcontractor costs and curriculum costs, partly offset by a reduction in estates and facilities costs arising from the outsourcing of these services, and also partly from a release of contingency provision.
- The Group's cash position remains strong, with balances of £20.5m at the end of December, equating to 72 cash days in hand. The forecast cash balances to the year-end are £15.6m, equating to a forecast 58 cash days in hand. Expenditure on fixed assets is being monitored closely along with any variances in cashflow projections.
- A further full-year reforecast will be undertaken at the end of February. This is not expected to show any divergence from the target break-even position, but known additional expenditure on agency staff due to high sickness cover may result in the need to target cost savings during the rest of the year.

- The expectation that the Group will only breakeven, notwithstanding the higher level of income forecast, as consequence of upward pressure on costs, serves to highlight the importance of generating additional income in the future from new commercial activities.

## 7. EQUALITY, DIVERSITY AND INCLUSION UPDATE

The Board received a report and noted:

- In April 2021, as part of the Group’s responsibilities under the Equality Act 2010 Equality Duty, it had published the CCCG Strategic Equality & Inclusion Objectives 2021-24. The Group is required to publish on an annual basis how it is meeting these objectives.
- The objectives are focused on the following themes: Leadership; Student Outcomes; Teaching, Learning & Assessment; Workforce Development; Developing an Inclusive and Anti-Discriminatory Culture; Disclosure; Policies and Ways of Working; Monitoring and Inclusive Communication.
- The report highlights how the Group met the objectives in the past academic year, whilst also highlighting actions taking place over the 2021/22 academic year. It also includes curriculum and student support, monitoring and employee starter and leaver information.
- The increased level of diversity disclosure has served to improve the insight into matters related to ED&I. Communications with staff and students across the whole Group were noted, including delivery of staff training, which had led to positive scores in the staff engagement survey.
- The Board expressed a wish to be provided with a better understanding of year on year trends, and also the position with regard to ethnicity pay gaps.

It was agreed that the Quality Committee should consider a ‘deep dive’ review of ED&I aspects of achievement, satisfaction and destination data.

The Board commended and noted the report.

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## 8. ACCOMMODATION UPDATE

This item is the subject of a separate confidential minute.

## 9. UPDATE FROM THE SEARCH COMMITTEE

### 9.1 MEMBERSHIP

The Board received and considered a report on the Board’s committee membership and subsidiary directorships.

The Board **APPROVED** the following:

- Weiye Kou to join the Audit Committee
- Nicole Morgan and Angela Herbert to join the Quality Committee
- Vincent Egunlae to join the Finance Oversight Group
- Nicole Morgan to remain on the Remuneration Committee. Also, as she previously sat on the committee as a co-opted member prior to her appointment to the Board, there is now a co-opted vacancy on the committee and the Search Committee is currently looking to recommend the appointment of a replacement co-opted member.

In relation to subsidiary company directorships, the Board **APPROVED** the following appointments:

- Visionnaires: Sharon Saxton to continue in her role as the chair of V-Sparks on an interim basis. Gary Hunter, Deputy Executive Principal, to be appointed to the other Director vacancy.
- Capital City College Enterprises Ltd: Vincent Egunlae to be appointed to the remaining directorship vacancy, Roy O’Shaughnessy and Rachael White having already been appointed as directors.

The Board also **APPROVED** the appointment of Nicole Morgan as the Board’s safeguarding link member.

The Chair noted that a number of members of the Board are due to step down in July. Potential ways of enabling the Group to continue to benefit from their strategic input in an advisory capacity are being explored and a proposal will be brought forward to a future Board meeting.

### 9.2 COLLEGE AFFILIATION

The Board received a report and noted that, as a consequence of discontinuing the College Education Boards, governors have less contact with the Group’s individual colleges and their specific issues.

Curriculum issues are often complex and require a more in depth understanding than can be gained by reading Board papers. Associated with this, it is evident that student engagement is less effective at a CCCG Group level, as each college has its own approach and students want to discuss issues at a college level.

In order to remedy this, the Board **APPROVED** a proposal to adopt a link system, with each governor affiliated to a college or to CCCT, as detailed within the report.

### **9.3 TRAINING UPDATE**

An Update report was received. It was agreed that Governors should complete an online training module on Safeguarding, the details of which will be forwarded to members in due course. It was further agreed that when a meeting takes place face to face a tour of the respective site should be offered so that members can become familiar with the curriculum on offer.

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### **10. SENIOR TEAM PERFORMANCE TARGETS**

The Board received and noted a summary of the performance objectives for the senior team, as agreed by the Remuneration Committee. At the Committee's request, these had been aligned to the Group strategy, with a member of the senior team allocated lead responsibility for each objective (in addition to the CEO having responsibility for all targets) and a focus on measurability.

### **11. KEY PERFORMANCE INDICATORS**

The Board received for information and noted the following reports:

- Group Dashboard January 2022.
- 20/21 Attendance and Retention Summary
- Curriculum and Learner Experience Scorecard as at 10 January 2022.
- Estimated Funding Report as at 10 January 2022.

### **12. EDUCATION COMMITTEE ENQUIRY RESPONSE**

The Board received and noted a copy of the Group's response to the Education Committee Enquiry on The Future of Post-16 Qualifications.

### **13. FINAL DRAFT OF FE COMMISSIONER'S REPORT: FOLLOW-UP VISIT NOVEMBER 2021**

The Board received and noted a copy of the Diagnostic Assessment Follow-up Report from the FE Commissioner's November 2021 visit.

### **14. QUALITY PAPER**

The Board received and noted a copy of the Quality Paper as considered at the Quality Committee meeting on 27<sup>th</sup> January 2022.

### **15. GOOD NEWS STORIES**

The Board received and noted a summary of news stories with positive coverage, relating to the period 4<sup>th</sup> December 2021 to 3<sup>rd</sup> February 2022.

### **16. ANY OTHER BUSINESS**

#### **16.1 01 FOUNDERS**

This item is the subject of a separate confidential minute.

#### **16.2 STUDENT STABBINGS**

The Board was saddened to hear from the Executive Principal of the stabbings of two young people who were students of the Group, one of whom had tragically died from his injuries. Neither of these incidents had occurred on Group premises. The Board asked to hear more at the next meeting of measures in place to prevent incidents such as these.

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**DATES OF FUTURE MEETINGS** – The following dates were noted, and the Board agreed to continue meeting on the basis of alternating between meetings in-person at different college sites and meetings online.

*Wednesday 30<sup>th</sup> March 2022 – 4.00pm*

*Friday 26<sup>th</sup> May 2022 – 9.30am*

*Wednesday 6<sup>th</sup> July 2022 – 9.30am*