

CAPITAL CITY COLLEGE GROUP BOARD: 19TH OCTOBER 2023

PARTICIPANTS	Alastair Da Costa (Chair), Anthony Smith, Chris Hyams, Sharon Saxton, Asfa Sohail, Toyin Odutayo, Angela Herbert, Nicole Morgan, Vincent Egunlae, Weiye Kou, Nana Brew (Staff member), Pablo Lloyd (Interim CEO)
IN ATTENDANCE	Kurt Hintz (Executive Principal), Rachael White (Chief Financial Officer), Graham Drummond (Director of Governance), Hilary Moore (Group Designated Safeguarding Lead, Assistant Principal, CONEL) [item 8], Amanda Dickens (CEO Visionnaires) [item 9], Graham Cooper (Clerk)
APOLOGIES	Amelia Sussman, Sanna Jordansson, Rowda Ali (Student member)
DECLARATIONS OF INTEREST	None

The Chair reminded members to advise the Director of Governance of any new appointments or accolades that they have been associated with.

1. **MINUTES OF PREVIOUS MEETINGS**

The minutes of the meeting of 5th July 2023 were approved as an accurate record.

2. **MATTERS ARISING**

The Board noted that all matters arising are included on the agenda for this meeting.

3. **BOARD MEMBERSHIP RECOMMENDATIONS**

The Director of Governance presented an update on Board membership and the following was noted and agreed:

- Following interviews of eight candidates for Board membership that took place in September, the Search and Governance Committee proposes that the following independent members are appointed to the Board from 1st January 2024 until 1st January 2028. CVs for these candidates are provided for information. Subject to their appointment, it is also proposed that they join the committees as indicated
 - Michael Davis (Finance Oversight Group)
 - Sarah-Jane Eglon (Audit Committee)
 - Praful Nargund (Quality Oversight Committee)
 - Mary Stiasny (Quality Oversight Committee)

Sharon Saxton, Chair of the Search and Governance Committee advised that the selection process has been robust, and along with other members of the committee present, she commended the candidates as having the skills that had been identified as needed, along with the ability to contribute to strategic discussion by the Board.

The Board discussed the matter of diversity of its membership. Disappointment was voiced that diversity has not improved through these proposed appointments, despite a clear intention to do so at the start of the process. This aim had been clearly communicated to Gatenby Sanderson, who had led the search on behalf of the Board and whom it was understood had reached out to a number of networks. The Board accepted that this was a missed opportunity and that the approach to the next round of Board member recruitment should ensure a more rigorous approach to engagement with organisations and networks who have the proven credibility to make a difference on inclusion, such as Aspiring Heads, a social enterprise dedicated to breaking down racial barriers in education, including increasing representation in leadership. The potential to increase the number of staff governors, ensuring that these are representative of the staff body, was also suggested and the Director of Governance agreed to take this suggestion back to the Search Committee. The Board

GD

also discussed whether there are factors that might contribute to the Group's limited success in attracting candidates to increase the diversity of Board membership, and Angela Herbert advised that this is an area upon which she is conducting research which she will share in due course.

The Board approved the four appointments to the Board as recommended, and also the committee memberships. The new members will be invited to the December Board meeting and to the social event afterwards. New member inductions will also be arranged, which it is hoped will take place prior to Christmas.

- With respect to student governors, Rowda Ali has been nominated to serve as the WKC student governor and will also join the Quality Oversight Committee. Student governor nominations from CONEL and CIC are expected to be received shortly.
- The Search and Governance Committee has also recommended the appointment of Anthony Moss as a co-opted member of the Quality Oversight Committee. Andrew's CV was provided. The Board approved his appointment.
- It was also agreed that Nana Brew, Staff Governor, will join the Audit Committee.
- Colin Booth has decided to stand down as an adviser to the Board. Colin was appointed as a Board adviser in October 2020 at a time when the Group had recently received a grade 3 Ofsted outcome and was subject to Further Education Commissioner intervention. It has been mutually agreed that Colin's role is no longer needed and that the Board has the requisite skill set within its current membership to provide sufficient challenge and scrutiny. A suitable opportunity will be found to thank Colin for his contribution during his period as adviser.
- Clarification on the responsibilities of link governors will be provided to the next Board meeting, arising from the matter being raised relation to the nominated SEND governor.

4. CEO REPORT

4.1 STRATEGIC PRIORITIES

The Interim CEO presented a paper on current strategic priorities, summarising the journey that has led to the Group's current position, and providing an overview of the major challenges and the strategic priorities agreed by the Board in July. He highlighted, and the Board noted and discussed, the following:

- Addressing the annual financial deficit is the most significant remaining issue facing the Group.
- Nine priorities were agreed by the Board in July. These have each been allocated Executive Team sponsors and delivery leads in the Group Leadership Team (GLT), reflected in personal objectives, with a clear line of accountability into the CEO and Board. Progress against these will be reported by the CFO to each Board meeting.
- The priorities add up to a culture change programme which critically relies on the leadership and management development programme (LAMP). A two-year programme has been started, which will reach all 250 leaders and managers, to enable more empowered and high performing teams.
- The Group's joint ventures, 01 Founders and Visionnaires, are both coming up to key decision points in January, and will be reported to the Board further after consulting with the Finance & Oversight Committee.
- It has been agreed that refreshing the purpose and values of the Group and publishing a new strategy externally should be left to the incoming CEO, Angela Joyce, so that she can build greater influence, confidence and profile for the Group nationally, regionally and internally.

4.2. STAFF PAY

The Interim CEO presented a paper on staff pay and the following was noted:

- The Group is a high-pay, high productivity organisation relative to its peers of large college groups, but is operating at a £4-6m annual deficit. It has also set a goal of remaining at or near the top of the sector's pay and has committed to dedicate the recent additional funding earmarked by government to pay increases.
- This year's pay negotiations have reached the stage of the Group being about to put forward its first offer to unions. So far this year, the Group has made a non-consolidated payment to staff, as approved by the Board, averaging £550 per head.
- The Group has now received a £3m increase in grant funding which the Government has specified is intended for use directly towards staff pay. The Government has committed to a similar payment next year. Whilst the £3m equates to a 4% pay increase, there is pressure for the Group to stretch this to 6.5% (the NEU settlement for schools and 6th forms) from its own budget.

- In view of the deficit situation, the GLT does not recommend the allocation of additional budget beyond the £3m. However, various scenarios have been modelled and it is possible to reach 6.5% this year for staff earning up to £50k for example through a combination of the non- consolidated payment already made plus a consolidated amount of just over 5%. This would still allow a smaller consolidated amount for staff earning over £50k.
- The aim is to conclude negotiations by early November, by which time the Group will be clear on 16-18 enrolment levels which are a major determinant of next year's financial outcome and are therefore a key to consideration of the consolidated increase.
- The proposed offer is unlikely to head off strike action in November, as the latter will be determined by a nationally co-ordinated ballot across 90 colleges.

The Board approved the allocation of a maximum of £3m towards staff pay, in addition to the £1m already budgeted, and the Board authorised the Interim CEO to take forward the negotiations with the unions on this basis.

4.3 MARKET UPDATES

With respect to market developments, the Board noted this month's announcement by the Prime Minister regarding the intention to combine A Levels and T Levels as an Advanced British Standard in ten years' time.

Possible ways in which Board members may be provided with market updates generally, without being inundated with information, were discussed. Links to various news sources were provided. Additionally, it was suggested that the Association of Colleges CEO's weekly update would provide useful insights and the Director of Governance will arrange for this to be circulated to Board members.

GD

5. GROUP QUALITY UPDATE

5.1 CURRICULUM AND QUALITY REPORT

The Executive Principal presented the Curriculum and Quality report and the Board noted:

Enrolment

- Enrolment has gone well for both new 16-18s and adults. As at 11th October, 19,486 unique learners enrolled compared to 18,000 on the same date last year. This will continue to grow as the year progresses. The improvements are across all sites and colleges. For new students to the colleges, the overall increase is 10.3% The increase of c. 8% in 16-18 learners notably ends the 7-year decline in 16-18 numbers. Adult enrolment volumes have also continued to grow on an already strong and increasing market share.
- The success in enrolments has put some pressure on class sizes in the areas that have had the best enrolment.
- With the final enrolments in October, this places the Group on track to achieve its 16-18 Lagged Learner Number (LLN) for 2023/24 and with additional sub-contracted provision yet to enrol, to exceed the LLN by up to 300. There is an opportunity for an in-year growth request in January 2024 although no guarantee of in-year growth funding increases.
- The enrolment of Apprenticeships has continued to be slow. The target for this academic year is 992 new starts, of which 140 have been enrolled so far and with 50 apprentices ready to start in October. This is in comparison with 141 for Aug – Oct last year. The Group is focusing on quality over quantity, with a restricted number of standards available.

Curriculum Development and Growth

- The Group has moved into its next phase of curriculum growth and development as part of the Curriculum Strategy, with a strong commitment to the London Local Skills Improvement Plan (LSIP) and National Priorities. A table was provided that demonstrates the high degree of alignment of the Group's plans with LSIP and national priorities.
- Additionally this year, arising out of the 2022 Ofsted inspection findings, 11 specific themes have been identified and Assistant Principals and other senior managers across the Group have been assigned responsibility for the further development of these areas taking into consideration London's skills priorities and quality considerations, with a focus on business growth opportunities for the Group.

Partnerships

- An update from the Executive Director of Partnerships and Growth was provided and the following examples were highlighted from amongst the various current initiatives:
 - Wind Turbine Training Centre: A unique partnership has been established with 3T Energy (an expert in the field) for a new Wind Turbine Training Centre at the Group's Enfield Campus, the first of its kind in the Southeast. 3T have invested an initial £350k to complete the installation ready for courses to start after half term. During Phase 1, 3T will run the training on a subcontract agreement. Phase 2 will follow with the Group taking over all delivery, having been successful in a Local Skills Improvement Fund (LSIF) bid which will enable the purchase of the equipment from 3T Energy in 2023/24. This training delivered will provide Londoners with access to Green Sustainability roles, at good salary levels. A formal Launch event is to be held on 8th November, to which Board members will be invited.
 - Fashion Enter – The Group's Fashion Academy was launched in April 2023, and has recruited further numbers in September. This is a joint partnership of co-delivery, with Fashion Enter delivering industry specific training and City and Islington College delivering the study programme elements. It is also therefore a fantastic example of embedding the best of industry into study programmes, with the most advanced leading-edge fashion design and manufacturing practice being developed in learners.

The Board commended the management team on the success of enrolments in particular, noting that this was very much the result of a team effort. This included the marketing team, which had played a significant role in improving marketing, and there had been a higher level of liaison with schools. The Admissions team had also played a key role. The Board encouraged opportunities to celebrate success and the Executive Principal advised of plans that are already in place to do so.

5.2 ARTIFICIAL INTELLIGENCE (AI) IN EDUCATION

The Chair highlighted to the Board the initiative that has been taken by the Executive Principal to embrace and engage with the world of AI through a series of podcasts looking at the implications and opportunities for FE that AI offers. The Executive Principal advised as follows:

- The series of 5 podcasts has been put together in collaboration with the organisation MKAI (Morality & Knowledge in Artificial Intelligence).
- Three different streams have emerged so far: Academic Integrity (management of how students use AI tools positively and appropriately in support of their studies), Pedagogy (use of AI tools to reduce time spent on planning and to assist in delivery of teaching and learning, potentially leading to self-marking and feedback), and preparing students for challenges that they are likely to face in their future workplace.
- The Board discussed various aspects of this, including some of the risks as well as the benefits associated with AI – such as the risk of getting things wrong due to increased cognitive offloading. The Executive Principal also spoke of the benefits of using AI tools such as ChatGPT.
- The podcasts are available on Spotify and a link to these will be sent to Board members.

KH/
GD

The Board commended the Executive Principal on this initiative.

6. COLLEGE UPDATES

The Board received and noted the individual college reports for CIC, CONEL and WKC, each providing a termly update on college highlights and key activities.

7. FINANCIAL UPDATE

7.1 2022/23 DRAFT YEAR END FINANCIAL POSITION

A report was received and the Board noted:

- A draft year end operating deficit of £4.2m is reported, against a Q3 forecast operating deficit of £4.4m, a positive variance of £224k. Turnover for the year is £122.6m. Variances in Income, Pay Costs and Non-Pay Costs are relatively small.
- The financial results exclude at this stage any statutory adjustments to be made for the FRS 102 pension provision.
- Whilst a full income reconciliation and apportionment to individual colleges is yet to be completed through the R14 ILR upload process, it is not envisaged that the financial results will materially change ahead of 20th October, at which time the final set of draft management accounts will be run

and will be presented for external audit purposes. The final results will be audited by MHA at the end of October and reviewed by the Audit Committee at its meeting on 22nd November prior to submission to the Board for approval at its December meeting.

7.2 5 YEAR FINANCIAL FORECAST 2023/24 TO 2027/28

A report was presented by the CFO. The Board noted:

- The current 5-year financial plan was produced and accepted by the Board in July, since which time there have been material changes affecting the Group's finances, which necessitate a review of the plan.
- A review of the 2023/24 budget is to take place in November following R04 finalised enrolment numbers, concluded pay negotiations and confirmations of funding for 2023/24, at which stage the 5-year financial plan will be updated.
- The current 5-year financial plan first year shows a £3.3m EBITDA and a significant £6.8m operating deficit, a key driver of which is learner numbers. The R04 update will provide clarity in relation to grant income for next year, which will enable the forecast to be updated. The update will include consideration of whether there are any areas of Pay Costs or Non-Pay Costs that are currently subject to significant underestimation.
- Cash balances currently include the proceeds of sale of the Marlborough building, which are ringfenced to be utilised as match funding for the current three transformational projects. It is evident that the cash position will become tighter as these projects progress.
- The updated forecast will help to provide clarity as to whether the Group is likely to retain its ESFA Financial Health Rating of Outstanding or whether the rating will fall to Good. Either outcome is in line with the strategic objective of remaining good or better.
- The Board advised that sensitivity analysis in relation to the forecast should consider the potential impact of significant changes in Government policy in the event of a change of Government, to the extent that these can be anticipated.
- Given the level of Operating Deficit, the Interim CEO and GLT are looking strategically at ways of reducing this going forward.

7.3 2023/24 STRATEGIC HEALTH INDICATORS

A report was received and the Board noted:

- Progress is reported, as at 11th October, against the Strategic Health Indicators agreed by the Board. Of the 16 Strategic Health Indicators, good progress has been made on 8, for which there is data in place to track milestone achievements. For the remaining 8, data will only become available from mid-December 2023 once the R04 ILR has been finalised.
- An update will be provided to the December Board meeting.

8. ANNUAL SAFEGUARDING REPORT

Hilary Moore, Group Designated Safeguarding Lead, presented the annual report and the Board noted:

- The Group DSL thanked Nicole Morgan, the Board's Safeguarding Link Governor, for the support and challenge that she has provided.
- The report identifies the numbers and types of cases, key themes, and safeguarding work and practices across the Group and how this led the "effective" designation by Ofsted in December 2022 and to positive comments in the Ofsted report. Most importantly, it confirms the Group's compliance with Safeguarding requirements from the DfE, Ofsted and other key organisations.
- The Group's Safeguarding and Child Protection Policy, and the Procedures and Information document have been updated to reflect key additions in the document, "Keeping Children Safe in Education" (KCSIE) 2023, and to reflect themes from casework and Government/other relevant organisations on best practice. These were approved by the Board in July 2023.
- My Concern, the safeguarding reporting tool used across the Group, remains very effective, although it is used differently in the colleges, which is reflected in the case numbers reported.
- Mandatory Safeguarding and Prevent training has been updated and continues to be delivered, with high attendance levels. All Safeguarding Officers and Designated Safeguarding Leads are up to date with their required update training.
- The table of cases shows the numbers overall, trends, key themes and comparators with last year. An increase in the number of cases related to mental health, which was considered likely to grow

further, was particularly noted, and also the effectiveness of processes for referral of these cases to external professional agencies such as Child and Mental Health Services (CAMHS).

- A specific question was raised regarding the absence of a separate category relating to mistreatment due to racism and how this is being addressed. Whilst the Board noted the measures in place for raising awareness, such as through posters around the colleges, the Group DSL agreed to look further at the reporting going forward. The Interim CEO also advised that this aspect would also form part of the work being undertaken at Group level in relation to EDI and specifically the development of a new Single Equity Diversity & Inclusion Scheme.

The Board commended the Group DSL and her team on their valuable work in supporting students.

9. VISIONNAIRES UPDATE

The Board received a report and welcomed Amanda Dickens, CEO Visionnaires, to the meeting. Amanda presented her report and provided a verbal update following discussion at the previous week's Visionnaire's Board meeting.

- The Board noted the background to the development and growth in Visionnaires that has led to 1500 adults and 200 young people having participated in its webinars and workshops to date. Diversity has been strong, with two thirds of participants being female and 50% being from ethnic minorities.
- Visionnaires has historically relied on colleges to a) pay annual licence fees and b) market and recruit learners. To be sustainable, colleges must earn enough AEB funding to pay the licence fees and other costs. A change in strategy earlier in 2023 saw less focus on scaling through new colleges who find it difficult to market and resource the Visionnaires courses, and more focus on driving direct referrals into existing colleges to validate the mission: to find and support under-recognised founders. In 2022/23, CCCG has recruited and enrolled 163 learners, other college groups have recruited between 10 and 45. The total number is 249, which is a 150% increase on 21/22.
- A summary of recent developments within Visionnaires was also provided.
- Visionnaires' contracts with colleges are due to end in July 2024 and the Visionnaires Board is looking at a strategic plan for the future that will see changes to the business model and funding. Two proposals are currently being considered:
 1. A transfer of the core activities of Visionnaires to schools within each of the Group's colleges.
 2. Expansion through 'white-labelling' of the Visionnaires model through charities which will pay a fee for the curriculum and support, thereby extending the reach to a much wider audience.

It is expected that discussions will lead to a decision by January on how to move forward.

The Interim CEO highlighted that there are issues of control and brand management associated with these options, which need to be carefully considered. He is to discuss matters with Sharon Saxton, who chairs the Visionnaires Board and to ensure that the Finance Oversight Group maintains a watching brief on developments, on the Board's behalf.

10. REPORT FROM THE SEARCH AND GOVERNANCE COMMITTEE

10.1 ANNUAL GOVERNANCE SELF-ASSESSMENT

The Board received a report from the Search and Governance Committee. The following was noted:

- In line with best practice and the requirements of funding agencies, the Board has carried out an annual governance self-assessment exercise. This has included a self-assessment by each committee against its terms of reference.
- The outcomes of the self-assessment are reported and noted. Generally, comments were positive about the quality of governance and the scrutiny provided by the Board and its committees; although suggestions for areas for further improvement and additional training were also made.
- The Director of Governance highlighted that, arising from the self-assessment, the Search and Governance Committee is looking into ways to further enhance the Board's engagement with the 'student voice'.
- Attendance at meetings has been slightly lower than last year. The format of meetings will be reviewed in an effort to address this.
- A Board member site visit protocol has been produced and will be added to the governance handbook.

10.2 REVIEW OF COMMITTEES' TERMS OF REFERENCE

The Board received a report and the following was noted:

- Each committee has reviewed its terms of reference. Following discussion at the Quality Oversight

Committee, monitoring of the application of the Equity and Inclusion strategy in relation to quality has been added to its terms of reference. The terms of reference for the other governance committees remain unchanged other than with respect to updating titles.

11. KEY PERORMANCE INDICATORS

The Board received and noted the following:

- Group KPI Dashboard October 2023
- 2022/23 Attendance and Retention Summary
- 2022/23 R13 Estimated Funding Report June 2023

12. QUALITY IMPROVEMENT PLANS

The Board received and noted the Quality Improvement Plan 2022/23 which has now been closed, and the Quality Improvement Plan 2023/24. The latter includes key areas for improvement during the year and additionally areas for longer term development with a focus on the Key Strategic Health Indicators agreed by the Board for reporting during the next year whilst the Group's new strategic plan is being developed.

13. RISK REGISTER

The Board received for information the latest version of the risk register, as had been reported to the Board in July. The register is due to be reviewed by the senior management team during October in preparation for reporting to the Audit Committee at its November meeting.

14. ANY OTHER BUSINESS

14.1 BLACK HISTORY MONTH

Arising from expression of interest to know more about the Group's approach to Black History Month, the Executive Principal undertook to circulate information about the approach taken across the Group. The importance of Board support for Black History Month was emphasised. Various references to Black History Month events and activities were also included in the College reports (Item 6). KH

DATES OF FUTURE MEETINGS

Thursday 14th December 2023 - 4:00pm

Friday 9th February 2024 - 9:30am

Wednesday 6th March 2024 – 2:00pm (Workshop)

Wednesday 27th March 2024 – 4:00pm

Thursday 23rd May 2024 – 9:30am

Wednesday 12th June 2024 – 2pm (Workshop)

Wednesday 3rd July 2024 – 4pm