

CAPITAL CITY COLLEGE GROUP

FINANCE AND RESOURCES COMMITTEE

Minutes of a meeting held on 28th November 2017

PRESENT	Alastair Da Costa, Simon Pitkeathley (Chair), Anthony Smith, Kay Willis, Andy Wilson, Keith Brown
IN ATTENDANCE	Claire Collins, Graham Drummond (Clerk), Caireen Mitchell, Nirmal Borkhataria, Stewart Cross
DECLARATIONS OF INTEREST	None

It was noted that this was the first meeting since the merger with the College of Haringey, Enfield and North London. Keith Brown (former Chair of CONEL's Board) was welcomed to his first meeting.

Nirmal Borkhataria was also welcomed to his first meeting, since taking up the post of Group Director of Finance and Operations.

1. **MINUTES OF THE MEETING HELD ON 3rd OCTOBER 2017** Action
The minutes were accepted as a correct record and signed by the Chair.

2. **MATTERS ARISING**
It was noted that all matters arising were included within the agenda.

3. **CONEL UPDATE: INTEGRATION PLAN**
An update report on the integration of CONEL's support systems was considered and received. The Committee noted that:
- Since the Board's meeting in October, detailed project plans for key departments are being drawn up with a view that the integration of key support services (with the exception of MIS) will be complete by 1st August 2018. At the committee's next meeting the integration update will provide details of which service areas are on target to achieve this target;
 - Each support area is also in the process of drafting and agreeing service level agreements.

It was brought to the committee's attention that the Chair of the Board had received a petition from 273 members of staff working at City and Islington and Westminster Kingsway Colleges asking for the merger with CONEL to be halted (despite the merger having already taken place). In light of this information, the committee noted that:

- The Chairs' Group will be meeting with the CEO to discuss how this petition has been responded to. It was further noted that a substantial proportion of staff concerns emanate from problems that have been associated with summer IT projects;
- A conference for the Group's support service staff will be taking place on Thursday 14th December. This will provide an opportunity to hear the concerns of staff and enhance the process of cultural integration. It was further noted that the CEO has carried out two staff briefings at CONEL;
- In the latter stages of the 16/17 academic year a staff survey was carried out and a wide range of staff forums have also taken place to ensure that the staff voice is heard. An action plan to address the outcomes of this survey and the forums will be considered at the committee's next meeting.

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With the creation of CCCG involving the merger of three colleges the committee recognised that it was unrealistic to expect cultural uniformity however it was agreed that the integration update report at the committee's next meeting should include a section on how well cultural integration was progressing, where it supported the strategic aims of the organisation.

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4. HUMAN RESOURCES

A report was considered and received. The Committee noted that:

- Included within the report was an analysis of sickness absence. The average number of days lost due to sickness is 5 (excluding CONEL) which is below the AoC benchmark of 8.9. Further analysis of the data reveals that there are areas of the Group where significant under reporting has taken place; staff training is being put in place to address this;
- Analysis included within the report indicates that there are some issues of under reporting with respect to protected characteristics. Further analysis shows that there is a higher reporting rate in instances where the HR team are involved with case work;
- The proportion of staff employed from a BAME background has fallen from 32% to 30% and is below the London population percentage of 42%; however at a management and senior management level the lack of BAME representation is more concerning with only 20% of managers coming from a BAME background. The Group will be adopting a succession and career development programme which will look to future leaders within the Group and address some of this under representation;
- The HR team will be looking to adopt a more targeted approach to listening to the staff voice with the adoption of 'pulse' surveys into specific departments, from January onwards. A full staff survey will be carried out nearer the end of the academic year;
- A survey of staff views has been carried out recently within CONEL's service areas, however a full staff survey has not been carried out at CONEL within the last year;
- A review of pay with respect to gender has been carried out and identified no concerns. A more wide ranging equal pay audit is currently underway. Issues that might be highlighted by this audit include the fractionalisation of hourly paid lecturers (HPLs) and the fact that staff who work at CONEL have outer London weighting included within their remuneration, as compared to inner London weighting for all other members of staff. It was further noted that any issues emanating from this audit would be brought to the committee's attention when more was known, and as part of the committee's role to oversee the Group's budgeting process.

5. ENROLMENT UPDATE

An update on enrolment had been emailed to members prior to the meeting. The Committee noted that:

- The report includes details of enrolment numbers but does not provide an indication of the Group's estimated funding position. Once the Individual Learner Return (ILR) has been submitted to the funding agency it will be possible to provide a more accurate position of the anticipated funding position of the Group;
- Despite this, indications are that the Group has enrolled sufficient 16-18 students to exceed its contract. However with respect to adult and HE provision the Group is behind on its targeted number. CIC and WKC combined are about 83% of their targeted adult position and CONEL are 86%. The precise funding implication of this position has yet to be calculated, however a more accurate analysis will be provided to the Board at its meeting on 13th December;
- The Group will be looking to utilise its subcontractor partners to deliver the shortfall in its adult contract for this financial year, however in the longer term the Colleges' adult curriculum needs to be realigned so that a higher proportion of the Group's 19+ contract is met through college based teaching and learning;
- CIC and WKC's learner registration systems (both use Unit E) have recently been integrated. There have been operational implications as a result of this project which are being addressed as a priority;
- With respect to the Group's HE provision, Tim Blackman (Vice Chancellor at Middlesex University) has been invited to attend a planning day with the Group Leadership Team to assist with the development of an HE strategy.

The Committee AGREED:

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- That an options paper on HE and adult provision is to be considered at the committee's next meeting.

6. FINANCIAL UPDATE

A financial update report was considered and received. The following had been included within the report:

- Management Accounts for the previous CCC Group to 30th September 2017;
- Management Accounts for CONEL to 30th September 2017;
- The combined budget for the enlarged group to 31 July 2018 (12 months CIC/WKC and 9 months CONEL)
- Initial assessment of the forecast to 31st July for the previous CCC Group based on enrolment information.

The Committee noted that:

- The combined budget for the enlarged Group indicates a very healthy balance sheet with total assets less liabilities of around £300 million, budgeted cash reserves at 31st July of £36 million and net current assets of £25 million;
- An initial assessment of the financial performance forecast for the Group for this year indicates significant challenges with respect to achieving a break even position and even more so with respect to the achievement of a surplus. For the two months up until 30th September income is down by £971k (offset by savings of £303k) and an initial analysis of the anticipated year end position indicates that revenue could be up to £3.9m below budget;
- In order to address this potential underperformance the GLT is looking to increase the level of subcontracted provision and to develop a plan which will reduce costs by £2.8m. If this plan is delivered it is expected to deliver a surplus of £250k. The committee further noted that the GLT's actions to address this position are being developed in a more timely manner than they were in the previous financial year;
- Despite currently being behind budget, CCCT has recently been successful in winning a number of bids with respect to apprenticeship provision which includes a large project with the NHS.

7. ESTATES UPDATE

This item was subject to a confidential minute.

8. LPFA: LEGAL CHARGE ON CBAT

A report was received and considered. The committee agreed with the recommendation to place a legal charge on the Centre for Business Arts and Technology which will allow the Group to maintain category A status with the LPFA and maintain the current payment schedule to address the past deficit.

9. FINANCIAL STATEMENTS AND REGULARITY 16/17

The financial statements for CCCG and CONEL for the year ending July 2017 were received. It was noted that the Audit Committee had considered both sets of statements in detail, and amendments had been made prior to their proposed approval by the Board on 13th December.

10. ESFA FINANCE DASHBOARD

A report was considered, noted and received and considered.

11. SUB CONTRACTED PROVISION

A report was received and considered. The Committee noted that:

- The Director of Governance would discuss with the Chair of the Audit Committee whether the monitoring of the Group's sub contracted provision should form part of the Audit Committee's schedule of business in line with its remit to monitor risk.

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Signed as a correct record: _____

Simon Pitkeathley, Chair of the Committee