

CAPITAL CITY COLLEGE GROUP BOARD: 13th DECEMBER 2018

MINUTES

PRESENT	Alastair Da Costa (Chair), Catherine Boyd-Maunsell [until item 6], Mel Brookstone, Keith Brown, Shane Chowen, Sarah Ebanja, Roy O'Shaughnessy (CEO), Professor Anthony Smith, Amelia Sussman, Fiona Thompson, Maarten Zuurmond
IN ATTENDANCE	Nirmal Borkhataria (Chief Operating Officer), Claire Collins (Group Director, HR and OD) [until item 9], Graham Drummond (Clerk), Graham Cooper (Deputy Clerk), Angela Edwards (Director of Performance & Quality) [item 6 only]
APOLOGIES	Dr Leslie Brissett, Lord David Triesman
DECLARATIONS OF INTEREST	None

The CEO advised members that he had been appointed as Chair of Governors of Welburn Community Primary School, in Yorkshire.

The Chair advised members that the Social Mobility Commission to which he had recently been appointed, as reported to the previous meeting of the Board, had held its launch event at the Group's Victoria site on 11th December. The event had been well attended, including by the Press and by the Chief Executive of the AoC. It was anticipated that FE would be a key area of focus for the Commission.

The Chair highlighted that the business to be discussed at this meeting would be important in informing the Board on major decisions to be made at the next meeting in January. Specifically, at the January meeting:

- the Board will be undertaking a review of all current strategic initiatives, setting priorities and timeframes in the context of the Group's forward financial forecasts, to include taking decisions to defer or cease any initiatives that do not align to current objectives and priorities. Between now and the January meeting, the GLT will be undertaking detailed reviews of all strategic projects in order to frame a set of recommendations to the January meeting;
- aligned to the future agreed strategic priorities, a review of the format of reporting to the board will be undertaken, in order to strengthen the board's capacity to monitor progress through a key performance indicator dashboard that ensures clarity at college and Group level with regard to trends in educational performance, enrolment data and key financial indicators, alongside relevant benchmark data and key actions for improvement.

1. MINUTES OF THE MEETING HELD ON 15th NOVEMBER 2018

Action

With respect to item 7 and the Staff Pay Award, the wording is to be amended in relation to the consultation and external messaging, including to make clear that, although the current year award was anticipated to be above the AoC agreed national pay award, there was no change to the Group's ongoing policy of honouring the AoC pay award.

Subject to the above, the minutes (and also the Confidential minutes) were agreed and signed as an accurate record.

2. MATTERS ARISING

The Board noted the following:

- With respect to the accuracy of the previous minutes, the funding forecast report was based on the Group's 17/18 outturn, and therefore the statement that ESFA funding is based on the 16/17 numbers is correct (through the lagged learner number methodology). An amendment to the description of the report in the minutes has been made to assist with clarity.
- With respect to the Estates Strategy, an update will be provided as part of the review of strategic priorities at the January meeting.

A membership update was provided by the Chair and the Director of Governance. The following was noted: GD

- The Search Committee was proposing to appoint Green Park to lead the search for three new non-executive members of the Board. This would include one member with the requisite skills and experience to serve as future Chair of the Audit Committee. Green Park had been selected partly due to their leading approach with regard to diversity;
- Catherine Boyd-Maunsell has notified the Chair of her intention to stand down as a member and as the Chair of the Westminster Kingsway College Education Board. The Board's meeting in January would be Catherine's last meeting. The Chair thanked her for agreeing to continue in her role subsequent to the Governance Review and the Board noted it was recommended that Shane Chowen took on the role of Education Board chair at Westminster Kingsway College;
- Interviews for the student vacancy were due to take place on 17th December. The Board would be notified of the Search Committee's recommendation as soon as possible after the interviews.

The Board agreed to:

- Appoint Green Park to search for three independent members;
- Appoint Shane Chowen as the Chair of the Westminster Kingsway College Board.

3. ANNUAL AUDIT COMMITTEE REPORT TO THE BOARD

The Chair of the Audit Committee presented its annual report and advised that a robust discussion had taken place at the November meeting on the matters covered in the report. The Board noted:

- Five Priority 1 (Fundamental) recommendations had been made by the Internal Auditors in 17/18 compared to one in 16/17. This was partly due to the focus of the areas that the Audit Committee had commissioned reviews of, which included cyber security and GDPR compliance, both issues that were pertinent to challenges facing colleges across the sector;
- The Audit Committee had raised significant concerns regarding the outcome of the Funding Assurance Audit, with respect to the group's learner number control processes and systems. This audit had been carried out by KPMG who carry out funding audits on behalf of the ESFA. In total, 17 recommendations were made, of which 12 were high priority, 4 were medium and 1 was low. A large number of funding errors across all funding streams were identified and the Audit Committee had agreed that this put at risk its ability to provide assurance to the Board with respect to the quality of data. A remedial plan had been drawn up and was attached to the Committee's report;
- At the time of the Audit Committee meeting, the final ESFA funding reconciliation for 17/18 had yet to be received, although no clawback of funding had been anticipated. However, the Board was advised that in the past few days, notification had been received from the ESFA that the Group would be subject to a clawback of its Adult Education Budget (AEB) claim; because the funding claim was so close to the permitted 97% tolerance level, this recovery, although relatively small, had brought it below 97%, which would result in a clawback of the whole of the shortfall below 100%, i.e. a clawback of c £626k. The Group was in discussion with the ESFA regarding the potential clawback and clarification was being sought about whether sufficient notification had been provided to the Group and therefore whether the clawback could be contested. The implication, however, was that as matters currently stood, the 2017/18 Financial Statements could not be signed off without adjustment. Unless the uncertainty could be resolved swiftly, therefore, it was likely that an adjustment would be made to the Financial Statements in order to enable sign-off before the filing deadline, with any recovery of the clawback treated as a subsequent gain.

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The Board **AGREED** to receive an update from the Chief Operating Officer during the following week once matters had been clarified and the adjustment to the Financial Statements could be confirmed. The Board also stressed the need for management to address the control issues that had given rise to the clawback. Noting the number of actions arising from Funding Audit Action Plan that were due for completion during December and January, the Board **AGREED** that it should be provided with a progress update at its January meeting.

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The following was further noted:

- A key change in the regulatory framework for Health & Safety that includes new sentencing guidelines which apply if the Group or senior staff are found to be negligent in the case of a serious health and safety incident. The committee considered that this should be brought to the attention of Board members. Whilst the updated Health & Safety Policy was presented for approval later during this meeting, the Board noted that it would be receiving a Health and Safety briefing at its workshop on 15th March;

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- With respect to Cyber Security, following on from review of the Internal Auditor's report, the Audit Committee had considered that penetration testing should take place, and this would be undertaken during February.

NB

4. 2017/18 FINANCIAL STATEMENTS & REVIEW OF RISKS

The Board received and considered the Group's financial report for 17/18. Whilst noting that it was not as yet in a position to approve the Financial Statements for the reasons just discussed, the Board noted:

- The impact of the clawback discussed earlier would be to increase the deficit for 17/18 to just over £6m (including the FRS pension adjustment), and a clear narrative was required to explain this.
- The format of the report would be fully reviewed and updated prior to next year, so as to ensure that it includes current best practice in relation to the Group's position on a range of matters, including, by way of example, gender pay gap. For the current year, Board members were asked to provide feedback on any typographical or presentational corrections required.
- There was currently no approved Reserves Policy in place, and the Audit Committee had recommended that such a policy should be developed and approved by the Board.
- The Board considered the risks to which the Group is exposed and the latest Risk Register, which had also been reviewed by the Audit Committee at its last meeting. Whilst the Risk Register had undergone significant review and revision, in order to clarify the key strategic risks currently faced by the Group, along with actions for mitigation, the wording of the report was not considered to be reflective of this work or the updated Risk Register. The Board **AGREED** that the wording should be revised.

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5. FINANCIAL UPDATE (2018/19)

A report on the management accounts to 31st October 2018 was received. The Board noted:

- The management accounts showed a year to date positive variance of £43k, slightly ahead of budget expectations.
- The year to date income was based upon enrolments, and remained subject to confirmation from the first ILR in December.
- There were a number of positive and negative variances to date, including slightly below budget performance in HE income, FE Loans and Commercial income. Costs were being controlled in line with budget.
- It was still too early in the financial year to make a prediction of the final outcome, although there was nothing to indicate that the budget breakeven position, prior to taking into account the impact of the recent pay award, should not be achieved. The management accounts did not, however, include the additional cost of the pay award above the 1% in the budget, the impact of which was anticipated to result in a full-year Operating Deficit of £2m, prior to an adjustment relating to pension liabilities in line with FRS 102, which in the previous year amounted to £5m. The decision to make the pay award had been taken by the Board as an investment in the Group's future in the knowledge of the financial impact. The financial update therefore presented no unexpected issues.
- The key priority for the January Board meeting, alongside longer term strategic and financial planning, will be to consider options to be presented by the management team in order to minimise the current year Operating Deficit.

6. QUALITY OVERSIGHT

6.1 GROUP SELF-ASSESSMENT REPORT 2017/18

A report including the draft Group Self-Assessment Report 2017/18 was presented by the Director of Performance & Quality. The Board noted:

- It was no longer a requirement for a SAR to be produced for submission to the funding agency, but the Group remained committed to the process as a means of ensuring the ongoing development of best practice and delivering best outcomes for learners.
- The process through which the report had been compiled was a bottom-up process, with assessments against the Ofsted Common Inspection Framework made and validated at each stage, and with quality improvement plans developed at local level. The College Education Boards had reviewed individual college level SARs and the report now presented provided a Group-wide view.
- A grade of good was recommended for all areas of provision, including overall effectiveness.
- Within some categories, there are areas for improvement at individual college level. CIC Sixth Form outcomes in relation to A-Levels were particularly noted, but in the context of the change to

a two-year linear model which meant that previous year benchmarks were no longer appropriate comparisons, and 2017/18 benchmark data would not be available until early 2019.

- The Group took seriously its commitment to further enhancements to Teaching, Learning and Assessment, including the importance of ensuring an observation model that is used consistently to track learner progress.
- There had been significant discussion on validation of the recommended Group-wide grades, to ensure that due weight and recognition is taken of individual college level issues.
- The Director of Performance & Quality advised that the SAR does not require to be submitted to Ofsted until January, and it was therefore agreed that some of the wording would be further reviewed prior to submission.

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6.2 HIGHER EDUCATION QUALITY ASSURANCE

The Board received a paper on assurance relating to HE provision across the Group. The Board noted:

- Evaluation of the Group's HE provision was subject to the Group's Performance & Quality framework, a revised Group deliberative HE Committee structure, external review by validating awarding organisations, assurance reviews by the Office for Students and evidence from the National Student Survey.
- There was no Group-wide HE QIP in place, as individual colleges are responsible for their own HE quality improvement, under oversight by the Group. At CONEL, this is supported by HE student representation on the College Education Board.
- The Board will need to consider at a forthcoming stage a Group-wide HE strategy.

The Board **APPROVED** the Annual HE Assurance statement.

7. HUMAN RESOURCES

7.1 ANNUAL HUMAN RESOURCES REPORT

The Group Director, HR & OD presented the annual report on HR activity. This covered disciplinary, grievance, bullying and harassment cases and employment tribunals, sickness absence, reorganisation and redundancies, learning and development activity and equality and diversity. The Board noted:

- Levels of sickness absence continued to present an issue, which management was seeking to address. The average across the Group was 6.3 days, an increase from the previous year's 6 days. Support staff continued to have the highest rate of sickness absence.
- With respect to BAME representation, this remained encouraging at 33%, but there were a number of issues receiving attention, including the percentage of teaching staff in some areas, such as CIC Sixth Form College. 'Unconscious Bias' workshops were being rolled out across staff involved in the recruitment and selection process.
- Attention was also being given to the level of non self-declaration amongst staff with regard to disability, ethnicity, sexual orientation, religion and belief. A culture Study 'Brand for Values' was being undertaken and a third of staff had already participated.
- With respect to the recent pay award, positive feedback had been received from staff.
- The HR and OD team had launched a Group Wellbeing Strategy, using feedback from the June 2017 staff survey, best practice from external research and publications on Health and Wellbeing, outputs from the Corporate Services Centre and Staff Voice sessions. The Group's focus on wellbeing had enabled CCCG to achieve the London Healthy Workshop Charter Commitment Standard in October 2018.

7.2 HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT STRATEGY

The Board received a report on the HR and OD Strategy 2018-20 and noted:

- The HR & OD Strategy comprised seven inter-connected themes with the objective of making CCCG an exceptional place to work: Talent Attraction and Retention; Engagement; Performance, Development and Growth; Rewarding and Recognising Excellence; Wellbeing; Leadership and management; and Diversity & Inclusion.
- These strands fit with the criteria for Investors in People accreditation. CIC had extended its Gold IIP accreditation for a further twelve months, and the HR & OD team had set the objective of achieving Gold accreditation for the whole Group within two years.
- Whilst CPD was in place at each college, linked to areas for improvement, and there was a Group overview of this activity, CPD was managed at individual college level.

8. ANNUAL SAFEGUARDING REPORT

The Board received the Group Safeguarding Report, which provided an overview for all elements of safeguarding across the Group for 2017/18 and highlighted progress and trends, as well as steps to be taken to mitigate areas of risk. The Board noted:

- More detailed safeguarding reports are considered by each College Education Board, on an annual basis;
- Future priorities are to ensure that a common approach to recording is adopted through the MyConcern system in order to ensure that common issues, trends and solutions can be shared. There is also an opportunity for more collaboration across the Group on safeguarding through the sharing of best practice, initiatives and training to support both staff and students.

9. GROUP SAFEGUARDING, CHILD PROTECTION AND ADULTS AT RISKS POLICY

The Head of HR & OD presented the updated Safeguarding Policy, advising that this had been updated in line with new guidelines issued in September. She also advised that whilst safeguarding is managed at individual college level, a common system is in use that enables the Safeguarding Strategy Group to maintain a Group-wide view of all actions.

The Board noted the general external climate towards a wider, more inclusive approach to defining the groups of people to which safeguarding is applied, and advised on the need for clarity as to whether scope of the Group's policy is limited to Children and vulnerable adults, or to all staff and students, and for this issue to be kept under review.

The Board **APPROVED** the Group safeguarding, Child Protection and Adults at Risk Policy.

10. STRATEGIC PRIORITIES

The Board received an update on work being undertaken in relation to Strategic Priorities. This was noted in the context of the scene set by the Chair at the beginning of this meeting. Specifically, it was noted that a process of prioritising strategic projects will be undertaken in order to present to the January Board clarity of options, including objectives, timelines, financial impact and identification of steps needed to mitigate risks. The Board also noted that the need for clarity on actions that will mitigate the deficit outturn for the current year, as well as looking at the longer term.

The Chair thanked Board members who had participated recently in the development of the Estates Strategy, which will be a significant aspect of the discussions in January. Specifically with regard to the CONEL Tottenham Centre redevelopment, whilst noting the need to honour contractual commitments to ensure that the opportunity to take this development forward is not lost, the Board asked the management team to refrain from any non-essential expenditure to further the project until there has been the opportunity to discuss this as part of the wider strategic options at the January Board meeting.

11. SUB-CONTRACTING AND CHARGES POLICY

The Board reviewed the Sub-contracting and Charges Policy, noting the minor amendments from the previous year, and the process by which checks that are undertaken annually on sub-contractors. The Chair of the Audit Committee reminded the Board that the Committee receives external assurance by way of an annual audit of sub-contracted provision by the Internal Auditors. The Board **APPROVED** the Sub-contracting and Charges Policy

12. HEALTH & SAFETY POLICY

The Board received and **APPROVED** the updated Health & Safety Policy, noting that this had been scrutinised by the Audit Committee.

13. AUDIT COMMITTEE – SUPPORTING PAPERS TO THE ANNUAL REPORT

The Board received for information the Annual Internal Audit report, the latest updated Group Risk Register and the recent Funding Assurance report from KPMG, all of which had been scrutinised by the Audit Committee and informed its Annual Report to the Board as discussed under items 3-4.

14. COLLEGE EDUCATION BOARD MINUTES

The Education Boards for each college had met once this term and the minutes of these meetings were received and noted.

The next meeting will be on Monday 21st January 2019 at 4pm.

Signed as a correct record: _____

Alastair Da Costa, Chair of the Board