

CAPITAL CITY COLLEGE GROUP BOARD: 23RD MAY 2024

PARTICIPANTS	Alastair Da Costa (Chair), Amelia Sussman, Anthony Smith, Chris Hyams, Angela Joyce, Toyin Odutayo, Angela Herbert, Nicole Morgan, Weiye Kou, Michael Davis, Mary Stiasny, Sarah-Jane Eglan, Nana Brew (Staff member), Rowda Ali (Student member)
IN ATTENDANCE	Rachael White (Chief Financial Officer), Pablo Lloyd (Strategic Advisor), Graham Drummond (Director of Governance), Graham Cooper (Clerk), Andrew Corbett-Nolan (Observer, Good Governance Improvement), Stewart Cross [item 5]. Item 1 only: Carlo Liu (Head of Digital Skills Academy), Sharron Wallace (Head of Creative Industries Academy), Kathryn Lancaster (Graphics and Data Solutions Support Manager, Sky), Maryam Syed (Student)
APOLOGIES	Sharon Saxon, Vincent Egunlae, Praful Nargand, Shehrebanu Sathaliawala (Staff member), Jamal Mahamud (Student member)
DECLARATIONS OF INTEREST	None

The Chair welcomed everyone to the meeting, including Andrew Corbett-Nolan, who he explained was attending as an observer as part of the Group's current review of governance.

The Chair also advised that this will be Rachael White's final Board meeting prior to leaving the Group, although Rachael will be in attendance at the Board workshop on 12th June. There will be an opportunity later in the meeting to thank Rachael for her contribution to the Group as a member of the Executive over the past few years.

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

1. CREATIVE SKILLS AND DIGITAL ACADEMIES UPDATE

The Board received a presentation from Carlo Liu, Head of the Digital Skills Academy and Sharron Wallace, Head of the Creative Skills Academy. The following was noted:

- These academies are two of the four academies set up following the Group's successful bid for funding from the Mayor of London, the other two being the Green Skills Academy and the Hospitality Hub, with each academy specialising in industry training for those sectors. The Group has additionally been successful in winning the bid for an extension year to fund the academies until March 2025, as well as a growth fund that has enabled an expansion of the team to help further with outreach and community work and further projects work with businesses.
- The key objectives of the academies align with the Mayoral and the London Local Skills Improvement Plan (LSIP) priorities focused on providing access to skills training and education especially for under-served groups, to help them into good employment, and supporting businesses to meet their skills needs by assisting them to recruit talent, train, upskill and re-skill their workforces.
- Over the past two years, the Creative and Digital academies have engaged with almost 500 employers, working with them in a variety of ways to fill their skills gaps including full time employment, paid internships, live projects and work experience schemes. A key strength of the academies has been their flexibility, and this has resulted in successfully getting c.1,000 London residents into work over the past two years.
- Partnerships with Local authorities and outreach work with community organisations are strong and play an important part in the academies meeting their objectives. The academies have engaged with over 7,000 people who have attended events, (e.g. networking sessions, employer-led career insight sessions, workshops) or may have participated in short or intermediate courses etc. These cover a wide range of subjects including, for example QX Coding, Digital Marketing, Costume Design and Camera Operation. The high level of engagement is helping to build and strengthen the academies' reputation.

- Throughout the two years to date, additional elements have been added, e.g. embedding employability sessions within training programmes, and now offering weekly in-person employability drop-in sessions. The academies' sector-based work models combine training and work experience that can lead to guaranteed interviews and work opportunities, and the additional growth funding that has been secured has enabled the recruitment of a new Employability and Outreach Officer.
- The academies operate on the basis of no barriers to entry and are proud of the fact that 64% of academy participants come from under-served groups. Use of the CCCG Group's infrastructure has played a pivotal role in removing barriers, by providing 'state of the art' facilities, support with travel and the ability to deliver on-line and hybrid training. The latter have been important in providing the flexibility to meet individuals' varied circumstances, including family and care responsibilities. The academies' approach is outward facing and is not aimed at existing students of the Group's colleges. This includes supporting individuals who left jobs during the pandemic and are seeking to return to employment. The links and relationships that have been formed with employers have also been passed on to other relevant parts of the Group. A number of examples of collaborations with industry and employment networks were highlighted.
- The Board welcomed a participant (Maryam Syed) in the Design Futures programme in collaboration with 10 employers offering internships to successful participants. She provided positive feedback and a personal account of her experience of the programme, which she advised had been useful in proving an opportunity to engage with professional behaviours, respond to a brief and work directly with a client. She was hopeful that this will lead to a valuable work experience opportunity.
- The Board also welcomed Kathryn Lancaster from the Sky Production team, who gave an employer account of the benefits of dealing with the Digital Skills Academy. The reason for Sky's engagement with the academy stemmed from their need to recruit to entry roles across Sky's operations in order to provide a feeder/pipeline to plug gaps created by internal progression. Their recent experience has been that some of their best engineers have come through their internal talent pipeline, having started in entry level roles without formal qualifications, having developed transferrable skills across fields such as cloud production, IT security etc.

Recognising that the ultimate goal is to get people into full time employment, not just internships, the Board noted that there is a process for the tracking of progress and for quarterly reporting to the GLA. The Board thanked the various attendees for the presentation and expressed appreciation for the employer and participant perspective provided.

2. MINUTES OF PREVIOUS MEETING

The minutes of the meeting of 27th March 2024, including the confidential minutes, were approved as an accurate record.

3. MATTERS ARISING

There were no other matters arising that are not covered by the papers for this meeting.

4. UPDATE FROM SEARCH COMMITTEE

In the absence of the Chair of the Search Committee, the Director of Governance presented the update and the following was noted:

Chair Succession

Following the previous meeting, a letter was sent by the Chair of the Search Committee to all independent board members asking for expressions of interest with respect to becoming the next Board chair. Since then, two expressions of interest have been received and interviews are in the course of being arranged. It is anticipated that a recommendation will be made at the Board's next meeting on 3rd July. Once this recommendation has been made and approved, a call will be made to independent members asking for expressions of interest with respect to the chair of the Quality Committee and also (if approved) the Finance and General Purposes Committee.

Update on External Governance Review

Good Governance Improvement (GGI) are close to completing their external Governance review. It is intended that once the outcomes of the review have been considered by the committee, the report will be presented at the Board's next meeting on 3rd July.

Establishment of a Finance and General Purposes Committee

The Board received and considered a recommendation from the Search and Governance Committee to establish a Finance and General Purposes Committee and to approve a draft set of terms of reference. The Director of Governance explained that with the continuing financial challenges, the switching of colleges into the public sector and the need for the Group's accommodation projects to fall within budget and align with the accommodation master plan, there is a view that a Finance and General Purposes Committee should be re-established.

The Chair provided additional clarification and noted that although the financial oversight group has operated effectively in providing support to the Executive and the Board at a time when this has been needed, it is common practice in the FE sector to have a Finance and General Purposes Committee. Now that the Group's financial position is more established and with the move to the public sector, there is a case for re-aligning the Group's financial governance by re-establishing the committee. He also stressed, however, that it is important that all members of the Board recognise that financial oversight is a responsibility of the Board, with assistance from the committee, and that Board members have a duty to ensure that they understand the financial position so as to enable the Board to take appropriate decisions and not to expect the committee to fulfil this responsibility.

The Board agreed to proceed with the establishment of a Finance and General Purposes Committee. With respect to the draft terms of reference, the Board discussed the appropriateness of the level of delegated authority requiring the Finance and General Purposes Committee on behalf of the Board to approve items of expenditure of £200k and above, with amounts below this threshold delegated to the CEO. The CFO advised that this had been benchmarked against other large college groups and that £200k had been found to be the norm. The Director of Governance also agreed to add further clarification to the wording regarding the respective roles of the Finance and General Purposes Committee and the Remuneration Committee with regard to consideration of the budget for the pay award and making a recommendation to the Board on the level of pay award. A final draft terms of reference will be provided to the October Board meeting for approval. Consideration will also be given to membership of the Committee, which the Chair noted, in line with good governance practice, should not include the Chair of the Audit Committee

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AoC Code of Governance

The Director of Governance advised that an element of good governance practice is to be able to demonstrate that the Group complies with a relevant code of governance. It is therefore recommended that the Board adopts the AoC Code of Governance. The Board discussed the proposal and approved adoption of the code. The Director of Governance presented a paper setting out how the Group complies with the terms of the code and it was noted that, upon receipt of the report on the current review of governance, consideration will be given to any additional actions that are needed to ensure ongoing compliance.

5. ACCOUNTABILITY STATEMENT 2024-25

The Board received the draft Accountability Statement that had been reviewed and recommended by the Quality Oversight Committee. The Board noted:

- The statement is a concise public statement of the Group's key aims, targets and outcomes for the year ahead. It is a legislative requirement to be produced by all FE establishments in line with DfE guidance and requires to be approved by the Board.
- This is the second year that a statement has been produced. In line with the Skills and Post-16 Education Act 2022 a statement about how the Local Needs Duty has been met is included, which requires governing bodies every three years to: "undertake regular reviews of how well the education or training provided by the college meets local needs, in particular needs relating to local employment". The Accountability Statement is required to report on any actions agreed as a result of such a review, and appropriate text has been added.

The Board approved the Accountability Statement as presented.

6. CEO UPDATE AND STRATEGIC PRIORITIES

The CEO presented her report which covered various recent activities, including updates on strategic priorities and five-year planning, the Group's management restructure, stakeholder management and an external update following Mayoral elections. The following matters were noted:

- Since writing the report, the July 4th date for the General Election had been announced, which is earlier than had been widely anticipated. The implication is that developments and policy changes following on from the election will also now happen earlier, which is likely to be helpful in terms of

framing the Group's new five-year strategy.

- The CEO highlighted progress in building external stakeholder links to support the Group's connectivity to businesses, communities and organisations, which in turn will raise the Group's profile. This includes recently becoming members of the Lifelong Learning Commission, Patron member of the London Chamber of Commerce and Industry (the only college to be a Patron member), and a member of the Breaking Down Barriers Commission. The Board commended these and noted the importance of creating a positive impact from these memberships.
- In relation to strategic priorities, following on from the expiry of the Group strategic Plan in 2023, nine interim priorities were set for 2023/24 pending a new Corporate Plan being agreed. An updated draft set of strategic priorities for 2024/25 have now been developed, against which operational priorities and objectives will be set and a new streamlined Dashboard will be created. A review of the Group's vision, mission and values will take place over the next few months, which will lead naturally into the production of the new Corporate Plan. The June Board workshop will be used to gather the Board's insights on CCCG branding and to commence a dialogue on the Group's purpose, mission, vision, culture and values. Members of the Board offered suggestions in relation to various aspects of these discussions, including the need to address climate and technology issues (either as enablers or priorities), matters relating to branding and also the need to ensure focus on a manageable number of objectives with targets and measures of success.
- The CEO elaborated further on matters relating to management style and creating a more positive culture (addressing some of the negative features highlighted by the staff survey) that will be addressed as part of this planning. She highlighted a deliberate approach to promote talent from within the organisation to fill roles in the new management structure, as part of a positive message and encouragement to staff, along with the provision of training and development support for appointees.

7. CURRICULUM AND QUALITY REPORT

The Board received the Curriculum and Quality report. Anthony Smith, Chair of the committee, advised that the committee had scrutinised performance, including the latest attendance and retention data, which has not raised any significant concerns. The committee also benefitted at its recent meeting from valuable insights into student enrichment activities, provided by each of the colleges' student representatives. The report included updates on student recruitment for 2024/25 and the Spring Learner Feedback survey.

The CEO noted that whilst apprenticeships are a small part of the Group's provision, the under-performance of this area as highlighted in the report continues to be the subject of management focus. The Board discussed the challenges in this area and the CEO advised that a more strategic approach is needed in relation to the employers that the Group works with and the apprenticeship offer.

The CEO noted that this year's GCSE exams had commenced earlier in the day and that there was no significant indication that students are struggling to cope with the examinations. This supports the belief that the student mental health and wellbeing support provided by the Group to students is having a positive impact.

The Board discussed the absence of teaching quality data from the report. Further explanation was provided relating to the shift in approach across the sector over recent years away from grading lesson observations to focus more on teacher development. It was noted that the committee has, however, more recently received data relating to the number of teaching staff who are subject to performance measures to address underperformance.

8. FINANCE UPDATE

8.1 MANAGEMENT ACCOUNTS

The CFO presented the management accounts for the 8 months to 31st March 2024 and the Board noted:

- Total Income year to date is £78m, £647k higher than forecast. This positive variance is primarily due to GLA Adult Education Delivery £347k ahead, Element 3 activity £207k ahead and full costs student fees £100k ahead.
- Staff costs are in line with The Q2 forecast at £52.4m
- Non-pay costs of £24.5m are slightly below forecast of £24.8m, primarily due to reduced subcontractor activity.
- A total EBITDA of £2.0m v. forecast year to date of £967k is reported.
- Operating performance year to date (after interest, depreciation and restructuring costs) is c. £1m better than forecast - an operating deficit of £4.2m, compared to a £5.3m forecast deficit. This demonstrates significant progress from the £9.5m operating deficit at this time last year.

- An updated forecast for the current year will be prepared following completion of the April management accounts and will be provided to the Board at the workshop on 12th June. The CFO confirmed that she was not aware of any significant risks to the forecast, although informed by past experience, areas including examination fees and agency staff costs continue to be monitored closely.

8.2 STRATEGIC HEALTH INDICATORS

An update on the Group's nine Strategic Health Indicators 2023/24 was received and the following was noted:

- Seven of the indicators are on plan to achieve target by 31st July
- With respect to Staff Sickness and Turnover, the average sickness ratio per employee as at the date of the report was 7.6 days against target of 5 days, although further progress is being made and the figure is expected to reduce.
- Apprenticeship enrolment is below plan, as reported to the Quality Oversight Committee and discussed earlier.

8.3 CAPITAL PROJECTS UPDATE

An update report was provided on the three capital projects at Soho, CBAT and Tottenham, including project timelines and the project risk register. The CFO highlighted the following:

- The CBAT project relating to roof replacement and workshop refurbishment at a total cost of £3m is progressing according to plan, due to complete in August for opening in September, with no delays or project overrun.
- The Soho project costing c. £7m to create a new industry standard digital and creative hub is similarly progressing according to plan, with construction/refurbishment work due for completion in August followed by fit-out September to December.
- The Tottenham rebuilding project, at a total cost of c. £18m, is a longer-term project due for completion late 2005 and is awaiting planning approval.

8.4 DRAFT 2024/25 BUDGET APPROACH

The CFO provided a summary of progress in relation to the 2024/25 budget and advised that work on this is ongoing. The Financial Oversight Group reviewed the latest draft at its meeting on 13th May and the curriculum delivery plan for 24/25 is being finalised in order to allow for final financial budget changes to be made by the end of May. The final budget proposal will be presented to the Board for approval at its meeting on 3rd July following a detailed review by the Finance Committee on 24th June. In the interim, an update will be provided to the Board at the 12th June Board workshop.

The current working draft of the budget shows:

- Income £132.6m, c. £9m higher than 2023/24 forecast due largely to the increase in the 16-18 grant due to the lagged impact of increased student numbers, a 1.89% increase in the funding rate and additional funding for English and Maths relating to the required increase in tuition hours. Also included is a grant increase to cover an increase in Teacher Pension Scheme employer contributions.
- Pay costs are £86.3m, c. £8m higher than 2023/24, reflecting the consolidated impact of the 2023/24 pay award, the increase in Teacher Pension Scheme employer contributions and additional staffing costs to meet the additional English and Maths teaching hours required.
- Non-pay costs are £37.9m, compared to £42.6m in 2023/24. The decrease is mainly due to a reduced subcontracting provision saving of £2.1m, a reduction in central contingency provision of £1.1m, along with other savings that have been realised during the budget building process.
- Educational EBITDA is therefore planned to be 4.3%, compared to 1.1% for 2023/24.
- The budget Operating Deficit position is a loss of c. £3.3m compared to the 2023/24 forecast deficit of £6.8m, a reduction in the bottom line loss of £3.5m.

Between now and the Board workshop on 12th June, work will be undertaken to understand the impact of the management restructurings and the efficiencies arising from this, along with work to determine investment priorities in relation to the proposed capital budget of c. £5m. The revenue budget already includes some investments, e.g. in-house learning and development team, ED&I, new staff positions to oversee procurement due to the increased scrutiny arising from public sector reclassification, in-house legal resource and investment in marketing.

The positive impact of the budget on the Group's financial health rating will be clarified when the final budget is presented, but is expected to result in a high 'Good', possibly tipping into 'Outstanding'.

9. KEY PERFORMANCE INDICATORS

The Board received and noted the following:

- 2023/24 Attendance and Retention Summary
- 2023/24 Curriculum and Learner Experience Scorecard May 2024
- 2023/24 R09 Estimated Funding Report March 2024

10. ANY OTHER BUSINESS

The Board recorded its appreciation to Rachael White for her significant contribution to the Group during her period as CFO and specifically for her stewardship of the Group's finances and the very significant positive progress that has been achieved during her period of tenure/ The Board wished Rachael well for the future.

In relation to recruitment of a successor CFO, the CEO provided an update and the Board noted that following shortlisting, interviews are scheduled to take place on 3rd June.

DATES OF FUTURE MEETINGS

Wednesday 12th June 2024 – 2pm (Workshop)

Wednesday 3rd July 2024 – 4pm