

Minutes of the Meeting of the Governing Body of
THE CITY LITERARY INSTITUTE held on **15th March 2011** at
Keeley Street, London WC2

Present:

GOVERNORS

Ms. A. Bennett+	Mr. T. Mitchell+
Ms. J. Cooper+ (from item 11/05)	Ms. N. Ndagire+
Mr. P. Davies+	Ms. J. Obi-Keller*
Mr. J. Flowers+	Mr. S. Pfeifer+
Mr. C. Galleymore+	Ms. H. Priest+
Mr. D. Greenland*	Ms. J. Reynolds*
Ms. C. Harris+ (from item 11/06)	Mr. W. Stokoe+ (Deputy Chair)
Mrs. A. Harrison+	Ms. C. Stott+ (Chair)
Mr. P. Hay+	Ms. L. Taylor+
Mr. B. Leigh*	Mr. H. Woudhuysen+
Mr. M. Macchitella+	

Key: + Present
* Apologies tendered

In Attendance: Nick Moore (Deputy Principal)
Joe Manifold (Vice Principal)
Brian Watts (Director of Human Resources &
Organisational Development) (for item 11/05)

Clerk: Denise Gill

PART ONE: STANDING ITEMS

11/03 Declarations of Interest

The Chair and Deputy Chair declared an interest in item 11/09.

11/04 Membership

Members received a report containing the recommendations of the Search Committee which proposed the appointment of Jane Cooper and Colleen Harris to the Board. A copy of each of their curriculum vitae was attached as an appendix to the report.

The Board considered the report and unanimously supported the appointment of Jane and Colleen to the Governing Body for a period of four years. Both were invited to join the meeting.

The Governing Body also approved the reappointment of Marco Macchitella as the Governor elected by the staff for a period of four years.

The Chair advised that she would be offering new Governors 1 to 1 meetings during their first year to ensure that they were being given sufficient opportunity to contribute to meetings and to meet any support or any training needs.

11/05 Diversity Survey

Brian Watts asked Governors to participate in a diversity survey of the Governing Body. He explained that to help City Lit develop better services and policies, it would like a better understanding of the make-up of its staff and Governors. A survey had been undertaken of the staff which had been helpful in ensuring that City Lit was up to date with personal characteristics that had recently become protected by legislation (the Equality Act 2010). He advised that it was an anonymous and voluntary survey. Brian circulated the short questionnaire together with a freepost envelope for Governors to complete and return and he left the meeting.

11/06 Presentation

Marian Grimes gave a presentation on the Centre for Deaf Education. She informed Governors that the City Lit Centre for Deaf Education (CfDE) was the largest provider of dedicated education for D/deaf adults in the UK. It also offered a wide range of training courses for adults wishing to acquire knowledge and the skills necessary for effective communication with D/deaf people and for careers in deafness-related professions. The overall aim of the Centre was to meet the learning needs of each individual within these groups. Whilst the provision is highly specialist, the profiles of the learner groups were extremely diverse. Individual study aims varied widely, from acquiring essential skills for everyday life to gaining high-level professional skills. This specialist provision was a key community asset, maintaining national and international renown as a Centre of Excellence in the field. The extensive range of high quality provision, the number of unique courses and approaches, and the expertise of the staff, have all contributed to this reputation, as has the Centre's strong ethos of linguistic and cultural diversity.

Marian then described the management structure and the work of the three sections to the Centre: Deafness, Skills and Professional Training, the Deaf Education Skills for Life area, and the Deaf and Disabled Support department. The challenges faced in the light of shrinking government funding together with the future developmental opportunities were outlined.

Governors discussed the type of provision and competition with Marian. She advised that whilst some City Lit courses were unique, British Sign Language courses were not and there was local competition. Marian invited Governors to attend the Deaf Day being held on 16th April. The Principal asked the Governors to endorse the submission on "Improving D/deaf people's life chances through education and training" for the Queen's Anniversary Prizes Scheme in Higher and Further Education and this received full support.

Governors thanked Marian for a very interesting and informative presentation.

11/07 Minutes of the Previous Meeting

The Minutes of the Governing Body Meeting held on 9th December 2010 were approved and signed by the Chair.

11/08 Matters Arising Not Appearing Elsewhere

10/103 Fee Policy: The Principal reported that the SFA had not yet issued the funding allocation letter for 2011/12.

11/09 Appointment of Chair and Deputy Chair

The Chair and Deputy Chair, who had declared an interest in this item, were not asked to leave the meeting but did not participate in the discussion or decision in relation to their position.

The Clerk presented a report requesting the Board to appoint a Chair and Deputy Chair of Governors. She advised that the current term of office of Carole Stott, both as a Governor and Chair, would end on 21st July 2011. The Articles of Association permit Governors to serve more than two terms of office providing that a resolution is passed by the Board. The Governing Body had asked Carole to serve a third term in 2007 and in October 2010 members asked her to serve a further year to oversee the transition to the new Principal. The Clerk advised that Carole Stott had served as Chair of Governors for 5 years and under the Articles of Association, Chairs retiring at the end of their term of office were eligible for reappointment, but shall not hold office for a period of more than six consecutive years. Carole indicated that she would be willing to serve as a Governor and Chair for one further year if that was the wish of the Board.

It was **RESOLVED 1/11:** That Carole Stott should be reappointed to the Board in the position of Chair of Governors for one year with effect from 22nd July 2011.

The Clerk then advised that the period of office of Bill Stokoe as Deputy Chair had ended but he was eligible for reappointment under the Articles of Association. The Chair invited nominations for Deputy Chair and Bill was the only person nominated.

It was agreed that Bill Stokoe should be reappointed for a two year period of office with effect from March 2011.

11/10 Principal's Report

The Principal presented his report for December 2010 to March 2011. He started by presenting the Balanced Score Card which showed that the red areas were tutor observations and successful Skills for Life students but this was an examination results timing issue. A graph showing fee income was shown which demonstrated that income was above target.

He advised that the main activities during the period had been:

- Finalisation of summer prospectus and planning for 2011/12
- Completion of SAR
- Digesting changes of funding and rules
- Placing the contract for the 4th floor extension
- Starting work on the new 'mobile enabled' website
- Lots of curriculum planning around the aborted Holborn Tower accommodation
- Implementing a mandatory Equality and Diversity training package on Moodle for all teaching staff.

Governors were informed that the highlights of the period had been:

- Enrolments/fee income were ahead of target.
- The new Kean Street studio and Fashion Retail Academy were operating well and proving profitable.
- The curriculum planning processes were going well and it had been probably the smoothest ever.

The Principal stated that the SFA/BIS were still debating exactly how they would treat City Lit's funding for 2011/12 but when they have finally decided, a formal paper would be brought to Governors. He added that fortunately at the moment there did seem to be a willingness to find a solution which would give City Lit some protection. The current proposal would split the Institute's funding and he showed a table detailing the types and approximate values. He advised that the most critical implications were:

- the impact on entitlement to Adult Learner Support (ALS) funding to help learners with disabilities and/or learning difficulties/dyslexia etc and discretionary learner support funds covering childcare, travel etc – at present City Lit can't claim these for ACL provision which would have about a £400K impact on the College if it was not resolved.
- Also it was likely that the College may not be able to move funds between these different elements which was rather disappointing since the new government had announced they wanted single budget allocations.

Governors were then informed that a contract had been awarded to 'ITC Concepts' for the Keeley Street extension. A full brief had been provided to the Finance & Employment Committee but he summarised it for the Board as follows:

- 5 Bids had been received and post tender clarifications had been sought from the lowest two bidders.
- 'ITC Concepts' had been the lowest cost tender and the only fully compliant bid.
- Following an interview and due diligence of the company, ITC Concepts had been selected and the contract placed at a cost of £277,064.34 plus VAT, which was considerably less than the Quantity Surveyor's estimate of circa £350K
- Construction work had started with a completion date of July ready for use in September.

The Principal confirmed his e-mail to Governors that the Libyan landlord had terminated the negotiations with the College and EC on leasing Holborn Tower. He reminded the Board that it had been a very protracted negotiation lasting more than 16 months and that the outcome was very disappointing. Equally, based on feedback from EC, it would appear that the building ownership had some link to the Libyan Government and it was probably not a coincidence that the decision was taken on the day the UK announced sanctions and freezing of any assets linked to the Libyan Government. The agents had now confirmed that this building was now a 'frozen asset'. Annoyingly, as well as lots of nugatory staff effort, there had also been considerable costs associated with the planning application, building survey and legal fees of circa £11K. He added that not surprisingly he was now on the hunt for a further property, again possibly with EC. Governors expressed their disappointment that the lease had fallen through but commented that it was sometimes impossible to know who owned what property in London.

Governors were then informed that the staff were as busy as ever and lots of people commented how disappointed they were about Holborn Tower, even though it would have increased workloads. Despite all that was happening around funding and so on he felt that morale remained high and there was still a fascinating buzz about the place. Looking at the HR Annual Review, the usual staff morale indicators of sickness/absence levels, staff issues, turnover etc were the best for number of years and it painted a very positive picture.

Finally, the Board was informed that discussions were being held with the John Lyons Trust on the possibility of a 3rd year for City Lit's music in community project, which had proven successful.

The Top 10 priorities for the spring term and the progress against the previous term's 10 ten priorities were included in the paper.

The Principal was thanked for his report and requested that the BSC be made available before each meeting in either paper or electronic form.

11/11 Date of Next Meeting

It was confirmed that the next meeting would be held on 10th May 2011 at 5 p.m. It would be preceded by a Review Meeting at 2.30 p.m.

PART TWO: MATTERS FOR DECISION

11/12 Self Assessment Report 2010

Nick Moore presented a paper which included a synopsis of the 2010 Self Assessment Report. He stated that adult and community learning providers and colleges must undertake a self-assessment of their provision and include a development plan to show how the quality of provision would be improved. Nick added that self-assessment must have a firm basis of evidence and identify what needed improving; must reflect the needs of City Lit and its learners, and also reflect LSC requirements which was to base it on the Ofsted Common Inspection Framework. Broadly the SAR must comprise:

- background (with description of the SAR process)
- description of the SAR process
- reports on curriculum areas
- a report on Leadership and Management.

In addition, the City Lit SAR contained reports from service areas.

Nick explained the SAR process for the year and how it had been compiled. He advised that the self-assessment process for 2009/10 began in curriculum areas in the summer in preparation for the Curriculum Reviews in October 2010 when each area presented its draft SAR. As a result of the Curriculum Reviews the SARs were amended and compiled into the Institute-wide SAR. College wide issues requiring action were reflected in the Leadership and Management SAR.

At the end of the process, upward grade changes in 2010 from 2009 were:

- Languages from 2 to 1
- Deafness, Skills and Professional Training from 3 to 2 (4 to 3 in 2008)

Downward grade changes from 2009 were:

- The Centre for Teacher and Management Training from 1 to 2.
- Health and Movement Studies from 1 to 2.

Nick was asked why the grades had been downgraded and he responded that in respect of the Centre for Teaching and Management Training this was due to outcomes dropping and for Health and Movement Studies, there had been a period of instability and a significant change in management.

At the end of the initial review process the assessment had been that City Lit overall was a very sound grade 2 (good) with several grade 1 (outstanding) areas and none which were grades 3 or 4 (satisfactory or unsatisfactory).

Governors discussed the summary SAR and it was suggested that for the next version, the introduction should be cross referenced to the Strategic Plan and the website. Members also queried the assessment of Grade 2 for Safeguarding throughout each programme area and Nick advised that it was new territory and most of the inspected procedures were about children and did not apply to City Lit. Moreover, it was not known how outstanding should be judged. The Board discussed the capacity to improve and the key areas of progress since the last inspection and it was noted that education contract income had risen each year from 2005/06 but had reduced in 2009/10. The Principal advised that there were fewer contracts available to bid for now and those that were available had a lower value. One of the student governors raised the lack of support for visual impaired students and Nick said that following issues being brought to his attention staff putting put this right.

The Board discussed the Executive's recommendation that the overall judgement for City Lit for 2010 was Grade 1 (Outstanding) when there were so many Grade 2s in the SAR. Nick stated that as City Lit had no grade 3s or 4s and as 50% of its provision was outstanding then it could be considered a Grade 1. He added that a college did not need to be perfect to achieve an outstanding grade.

The Governing Body accepted the recommendation of the Quality and Standards Committee that the full SAR be approved for submission to the Skills Funding Agency.

11/13 Information and Telecommunications Systems Policy

The Vice Principal introduced a new Information and Telecommunications Systems Policy which had been referred from the Finance and Employment Committee for approval. He advised that the last Information Systems policy had been written in 2002 and since that time there had been a big leap forward in IT and Telecommunications technologies and the new policy was so substantially different it could not be viewed as an amendment under the Finance and Employment Committee's terms of reference. He added that the Institute needed an updated policy to protect both the College and users.

The Board discussed the policy particularly around the use of social networking and some points of principle were raised. It was agreed that these should be notified to the

Vice Principal outside of the meeting and if any substantial changes were required then it should be brought back to the Governing Body. If the changes were not substantial, these should be reported back to the Finance and Employment Committee and the policy should be approved.

11/14 Student Bursary Scheme

The Principal introduced a report proposing that annually 10% of the College's surplus be transferred to the Student Bursary Scheme. He stated that four years ago City Lit had recognised that ever increasing course fees, primarily due to static or reducing funding and changing priorities for Government funding, was having a disproportionate and detrimental impact on the ability of the less well-off or working poor to afford to attend City Lit courses. He felt this situation was likely to get even worse in the coming years, with the major changes to fee remission entitlements being implemented by the Government, which effectively limited entitlement to zero or reduced fees to those on active benefits. Although there were some Government discretionary Learning Support (dLS) funds available, the rules about what this could be used for were fairly prescriptive, it was cash limited and did not cover all the circumstances which prevented the less well off from attending courses. Even for these funds, every year the demand significantly exceeds allocated resources. The dLS funds were prioritised for those who face financial hardship.

Governors were informed of the selection criteria for the Student Bursary Fund and the Principal outlined the various means that had been applied to try to raise funds. Whilst there had been some donations from individuals and organisations, if it hadn't had been for two significant legacies it would have run out of funds. He stated that he felt that a strong and viable Bursary Scheme was an essential factor in being able to maintain City Lit's ethos of being accessible to a wide range of people and not just the well off. It would help demonstrate the 'public benefit' criterion which is a requirement under the Charities Act. In the future with changes to entitlements, the importance of, and need for, such a scheme was likely to increase significantly. He added that it was also worth noting that unlike the dLS fund, which covered many outside costs (childcare, travel etc), the bursary scheme was only used to subsidise fees and thus in effect the money would come back to the College. The report included information on the number of students who had received bursaries. The Principal added that in addition to the proposal that the College should allocate 10% of the annual surplus to the bursary scheme, it was also proposed that 25% of the amount transferred should be kept as investment funds to enable a capital fund to be built up whereby interest could be transferred to the fund in the future.

The Principal advised that the Finance and Employment Committee had considered the proposal and whilst the proposal was fully supported, it had raised some accounting questions. Advice had been taken from City Lit's Financial Statements auditors and the necessary assurances had been given. These were detailed in the report.

The Board discussed the report in detail. The Principal was questioned on the use of funds as capital and income and the mechanisms for the allocation of the funds particularly when student loans will replace government funding for some of City Lit's courses. He responded that the long term aim was to invest the capital and fund bursaries from income but further information was awaited on the student loan proposals before a decision could be made on replacing displaced fee income. Governors also

discussed a bequest campaign from City Lit students and mechanisms for advertising the availability of the student bursaries.

The Governing Body supported the proposal and asked that regular reports on the topic be brought to the Board as it was possible that adjustments may have to be made to the scheme in the future.

11/15 Bank Mandate Revision

The Board agreed to pass the following resolution enabling amendments to City Lit's bank mandate with each of its banks:

It was **RESOLVED 2/11**:

- To add the Deputy Principal to the list of authorised signatories able to approve payments over £10,000.
- To allow signatories over £10,000 to delegate their authority to any other signatory in line with a formal written delegation of authority covering specified periods.
- With effect from 27th May 2011, to add Mark Malcomson to the mandate and to remove Peter Davies.

11/16 Force for Good Provision

The Principal introduced a paper on City Lit's Force for Good Provision (FfG) which had been requested by the Board at the Review Session held in February 2011. The paper set out the background to the designation of City Lit's provision as 'Force for Good' which came about due to funding pressures and prioritisation towards the Government's vocational skills agenda. At that time there had been real concern that this direction would have a significant and disproportionate impact on the more disadvantaged learners which would change the profile and balance of City Lit's provision and learners. This would lead to a negative impact on the Institute's 'accessible to all' ethos and mission.

The paper defined the specific areas covered by Force for Good with net financial position for each area. It represented about 16.8% of City Lit's total provision in terms of student hours and none of the areas covered their direct costs with just fee income and most either only just covered their direct costs with funding or made an overall loss. The paper included information on the wider provision that could be included in the definition, concessionary fees, learners with disabilities/additional needs, general value added, the bursary scheme and the relationship with the strategic plan.

The Principal suggested two different but synergistic approaches to the provision. He stated that for City Lit's own internal use, it should maintain the current 'Force for Good' measure on the balanced score card as a proxy for how well it was doing in maintaining a balanced provision. In addition, the Executive should report annually on the split of enrolments as defined above with year on year comparisons. For external communications, he felt City Lit's current definition of Force for Good was clear and easy to articulate and to have a different definition for internal and external communications could be confusing. Equally, the Institute might wish to consider if it should focus more on how it measures itself against the criteria specified in the paper. He suggested this

might be a useful starter for the proposed communications advisory group suggested by Governors. In addition, the Executive would:

- Continue with the work in defining the wider 'value added' measures.
- Propose changes to the Strategic plan to give greater prominence to the Force for Good work as part of the annual update.

The Governing Body discussed the paper in detail and queried whether there was any scope for bridging across to the equalities agenda to include such aspects as age and ethnicity. The Principal stated that FfG provision supported equality and diversity but promoted inclusion of specifically disadvantaged groups and he felt that it was important that the message should not get diluted. Governors discussed the different groups and agreed that there were separate threads to the provision that could be drawn out, including health benefits and the older learner. It was agreed that there should be further debate at the next Review Session in May on the aspects and priorities of the FfG provision when the wider value added measures have been calculated for all provision. It was also agreed:

- City Lit should retain the internal 'Force for Good' balanced score card measure as a proxy measure of its main work with the disadvantaged.
- To add an explicit position statement on Force for Good in the Strategic Plan and reference this in the accompanying Action Plan.
- That a Communications Advisory Group should be established and focus on how City Lit should define Force for Good and promote/communicate to external audiences. The Group should agree its Terms of Reference and should focus on communication of the policy and report back to the Governing Body. Membership should comprise of:

Joanna Reynolds
Annita Bennett
Jane Cooper
Colleen Harris
Peter Davies
Liora Ives.

11/17 Skills for Life Strategy

Nick Moore presented a paper on the new Skills for Life Strategy which had been referred from the Quality and Standards Committee for approval. He advised that the purpose of the strategy was to outline the approach that City Lit would take in order to achieve a highly effective whole college Skills for Life strategy. The strategy also outlined the actions and approaches that would be taken for the future and an implementation plan was appended that captured the actions and progress thus far. Governors were advised that the top level objectives of City Lit's strategy were:

- To be an outstanding provider of discrete Skills for Life provision, with all measures of success at or above national benchmarks
- To ensure that all learners who might have Skills for Life needs have the opportunity to be assessed and access provision that will support the development of their skills

- To guarantee that learners starting long accredited courses or courses where they will be required to significantly use their English and maths skills are at an appropriate starting point
- To make sure that all staff are fully aware of our vision, strategy and approach, and that they also have the necessary capabilities to fulfil any responsibilities they might have in relation to Skills for Life.

The report then summarised:

- City Lit's vision and commitment to Skills for Life
- The nature of the current provision
- The progress made since our last inspection
- The implications of the current local and national context.

Nick added that separately an implementation plan had been developed and considered in detail by the Quality and Standards Committee.

The Board discussed and approved the Skills for Life Strategy.

11/18 College Code of Governance

The Chair presented a report informing Governors about a proposed College Code of Governance that was being developed by the AoC Governance Portfolio Group. She informed members that she was a member of the Group which consisted of Governors, Principals and Clerks and it was complementary to AoC's Governors' Council of which she recently became a member. Following a major review of governance across the sector in 2009-10 culminating in the Schofield report, it had been recommended by the Portfolio Group to the AoC Board that it should pursue, with the Government, the establishment of a Code of Governance for the College sector. The development of the Code was being led by the AoC in conjunction with external stakeholders. The draft was now out for consultation and there would be further stages of development, for example, the peer view process. It would be implemented on a 'comply or explain' basis and it was important that colleges should lead on the Code rather than have it imposed by the Government.

The paper described the Code and the Chair invited members to comment on any aspect of it and to say whether or not they agreed in principle to its establishment. Governors asked whether it would change anything that the current Board did and the Clerk advised that City Lit's governance arrangements were already fully compliant with the Code. Her only reservation was the proposal for peer review as this could have additional time demands which could not be fulfilled without additional resources. If some of the existing regularity procedures were removed then this would not be an issue.

The Board agreed in principle to support the establishment of the Code and its content.

PART THREE: MATTERS FOR REPORT

11/19 Management Accounts to 31st January 2011

Joe Manifold presented the management accounts for the six months to 31st January 2011. The report included:

- Narrative
- Income and Expenditure
- Comparison of current operating surplus against prior year
- Balance sheet
- Cash flow forecast chart
- Bursary Fund Summary
- Risk Analysis and Forecast.

The Board was informed that the management accounts ending on 31st January 2011 showed a surplus of £2,439K and an overall favourable variance against budget of £346K. It was expected that a large part of the favourable variance would become eroded during the second half of the year but management were forecasting a favourable variance of £50K against the budget for the whole year. The forecast shows a predicted surplus for the year of £312K.

Joe advised that student fee income had performed strongly over the period and was 13% higher when compared to the same period the previous year. Community Outreach contracts were performing strongly with a favourable income variance of £43K to 31st January. Employer engagement income had a shortfall of £66K which was being monitored but it had been set a challenging target and there were cost savings, particularly within pay following a restructuring, that relate to this shortfall. Deaf income was also showing a shortfall of £93K and again there were cost savings to partially offset this shortfall.

Members were advised of the variances in non pay expenditure and within the Executive and Central Services expenditure there was an over-spend of £35K relating to the recruitment of the new Principal. This line currently showed a favourable variance of £62K due to the timing of IT and marketing expenditure. This was expected to be eroded later in the year due to the addition of the development of a mobile optimised website and the IT desktop virtualisation project which had not been budgeted for.

The impact of the rise in VAT from 17.5% or 20% would also have an impact on the budget.

Members were informed that City Lit had bank and cash balances of £3,922K at 31st January 2011 and a balance of £600K on the revolving credit mortgage arrangement with Allied Irish Bank.

The Board noted the management accounts for month six ending on 31st January 2011.

11/20 Minutes of Meetings

The Board received and noted the unconfirmed minutes of the following meetings:

- Finance and Employment Committee held on 15th February 2011.
- Quality & Standards Committee held on 17th February 2011.
- Health & Safety Committee held on 24th February 2011.
- Audit Committee held on 1st March 2011.
- Search Committee held on 2nd March 2011.

Chair.....

Date.....