



Governors Present:

Tim Bolderson
Edward Breen (Staff Governor)
Jane Cooper (Deputy Chair)
Jon Gamble – *via telephone*
Moira Gibb (Chair)

Colin Jones
Eric Hadley (Student Governor)
Mark Malcomson (Principal)
Raj Parkash
Michael Simmonds
Jill Westerman

In Attendance: Phil Chamberlain (Executive Director, External Engagement); Paul Evans (Chief Financial Officer/Co-Managing Director); Julie Gilbert (Executive Director, People); Rachel Johnson (Assistant Principal – Communities); Wendy McKaig (Vice Principal/Co-Managing Director).

Clerk: Katrina O’Sullivan

Standing items

20/01 Apologies for absence

There were apologies for absence received from Penny Allen. Jon Gamble joined the meeting via teleconference and the Chair confirmed that he could hear and be heard.

20/02 Declarations of Interest

Declarations of interest were made by the Chair and the Chair of Finance & Commercial Committee for **Item 20/14** regarding the *Recruitment of the Chair* item and the *Membership* item respectively. They would leave the meeting when their particular item was being discussed.

20/03 Minutes of the Meeting held on 3 December 2019

The minutes of the meeting held on 3 December 2019 were **approved** and signed by the Chair.

20/04 Matters Arising Not Appearing Elsewhere

There were no matters arising not appearing elsewhere.

20/05 Principal’s Report – *oral report*

Covid-19 discussion

The Chair thanked members for agreeing to extend the meeting by half an hour as the Principal had requested that he be able to discuss with the Board the worsening Covid-19 situation and the initial planning for this, and she agreed that it was sensible to do so.

The Principal expressed that Management was following all the advice from Public Health England and had already introduced additional hand sanitising gel machines around the building; put up posters about the importance of hand washing; and had increased the building cleaning schedule – the College had put these measures in place early. He explained that there were two weeks left of term and it was hoped that the College would be able to remain open to students at least until then; but it looked increasingly likely that Government may look to close schools and colleges at

some point, but when was currently unknown. In the meantime, the College was monitoring class attendance and sending follow-up emails to check on absent students' health, advising staff to report any issues and providing them with a response. Management had a meeting with the Heads of School scheduled about online learning options in the event of Colleges being mandated to close due to Covid-19.

With regards to the finances in the event of College closures: Paul Evans was liaising with the bank and insurance companies; Phil Chamberlain with the Mayor's office; and the Principal with the AoC, who were in discussions with the DfE. £3m of fee income was scheduled for Term 3, after Easter, which would be affected if the College was closed or was required to reduce courses. Governors enquired about the insurance cover and Paul answered that it was expected that the insurance company would pay up to £250k, but he would need to confirm their terms. Additionally, the College had always been asset rich and cash poor and, by the end of June 2020, if no fee income was received due to mandated College closure, the College would run out of cash, including the £2m - currently unused - overdraft. Paul stated that in the short term he would wish to look to extend the overdraft facility. Governors commented that in the worst case of reduced fee income then Paul may consider securing a loan on behalf of the College.

Governors enquired about tutor pay if courses did not run and the Principal explained that the College would be committed to pay tutors the balance of this term under the rules of the College's Cancellation Policy and was right to do so. He expressed that sensitive communication to tutors about their pay, and communication to students was important. Management had moved to active communication and were drafting emails that would direct students and staff to a FAQ section on the website. Governors agreed that communication should be calm, transparent and honest.

The Principal reported that Management had cancelled this year's Deaf Day on Saturday 18 April 2020 as the College usually had circa 2000 people pass through the door during the event and governors agreed that this was a sensible decision for peoples' health and safety.

The Board relayed observations from their own business, sector and other Board experiences regarding Covid-19. Governors agreed that the Finance & Commercial Committee and/or the Board would make itself available for meetings at any stage regarding impending overdraft/loan discussions or any other Covid-19 issues.

20/06 College update: December 2019 – March 2020

The Governing Body discussed and noted the update on general activities which had taken place within the College.

Items from Committees

20/07 Quality Committee Chair's Key Points – 11/2/20

The Board received the Quality Chair's Key Points which highlighted that the Committee had reviewed progress across a range of Quality themes and metrics and were encouraged by this. Additionally, the Quality Improvement Plan (QIP) was also discussed and the Committee had been satisfied that there was a clear and consistent approach to setting priorities; the QIP was now a standing items on the Committee's agenda. Work on the development of the Impact Framework had been reviewed, and there had been discussion about how best to keep it simple with strong support from the Committee to push ahead with this work at pace.

20/08 Quality policies for approval: Assessment and exam appeals procedure – Updated; Emergency evacuation policy (exams) – New; Preventing Radicalisation policy - Updated

The Board reviewed three quality related policies as recommended by the Quality Committee at its 11 February 2020 meeting. Governors acknowledged that the *Assessment and exam appeals procedure* update and the new *Emergency evacuation policy* for exams had been updated/introduced to ensure that the College was fully complied with the standards of awarding

bodies. The Board also reviewed the updated *Preventing Radicalisation policy* which made updates to the College's reporting structure and responsibilities, and also aligned the policy with the Safeguarding and Child Protection policy approved by the Board in December 2019.

The Governing Body was content to **approve** the updates/introductions of the three policies as listed above.

20/09 Audit & Risk Committee Chair's Key Points – 27/2/20

The Board received the Audit & Risk Committee Chair's Key Points from the 27 February 2020 meeting. The Audit & Risk Chair highlighted some of the agenda items addressed and, in terms of outstanding internal audit points, Management had updated the Committee that the reconciliation of 'Debtors', which had been previously raised to the Governing Body, had now been materially resolved; the root cause of the anomaly between systems had been identified and the £200k break was now largely gone.

The Committee had robustly reviewed Management's response to the Bournville College report and was assured by the processes in place at the College. The Committee did not consider that an external report was needed in addition to this. As good practice, the Committee recommended that if any family member of Management was appointed then this should be referred to the Governance & People Committee; the Board **agreed** this measure.

The Principal updated the Committee on mitigating plans with regard to potential increase in Coronavirus concerns and the College's response. These were agreed as sensible and appropriate by the Committee based on Government guidance.

20/10 Bournville College report: Executives' response to FE Commissioner recommendations

As discussed during Item 20/9, at the previous two Audit & Risk Committee meetings and at the December Board meeting the Bournville College report had been reviewed and governors had requested that Management undertake a review, for the March Board, of how City Lit measured against these and the controls in place at City Lit. The Board discussed Management's review in detail and agreed with the Audit & Risk Committee that there was assurance that the correct processes and controls were in place.

20/11 Compliance policies for approval: Data Protection Policy; Privacy Policy; ICT and Digital Acceptable Use Policy; CCTV Policy

The Board reviewed and **approved** the updated *Data Protection Policy, Privacy Policy, ICT and Digital Acceptable Use Policy* and a new *CCTV Policy* as recommended by the Audit & Risk Committee at its 27 February 2020 meeting.

20/12 Finance & Commercial Committee Chair's Key Points – 25/2/20 - Commentary for Integrated Financial Model for Colleges (IFMC)

The Finance & Commercial Committee (FCC) Chair highlighted the Key Points from the 25 February 2020 meeting. He explained that the Committee had reviewed and recommended approval of the financial forecast for the current year, confirmed that the assumptions made were in line with the College's strategic objectives forecasts and assumptions in the new Integrated Financial Model for Colleges to be submitted to the ESFA. Due to the new deadline for the submission being 28 February 2020 the Committee made its recommendation to the Chair of Governors for approval on behalf of the Governing Body. The Board took *Item 20/13 Management Accounts and IFMC commentary and spreadsheet* and *Item 20/12* together and reconfirmed the Chair's **approval** of the new IFMC.

The Board discussed that there were uncertainties about the outturn for the year and that the timetable for the IFMC submission did not naturally fit City Lit which relied on new enrolments throughout the year. Governors acknowledged that the uncertainties were compounded by the fact that the College had applied for funding from the Mayor's Skills Innovation Fund which would

make a significant difference to the College's finances. Following the Committee meeting, the College had been informed that it had been successful in both applications for the Mayor's Skills Innovation Fund – one for £350k which related to existing provision for the current financial year and which would not incur extra costs outside the budget, and the other for £150k which spanned two financial years (£95k for 2019/20; £55k for 2020/21) which would involve extra costs. It was agreed to include the £350k but to exclude the £150k as more work was required to identify costs. The £350K would improve the College's projected profit for the year to £368k. The forecast had been updated to reflect the fund money.

As reviewed by the Committee, the Board discussed the Management Accounts up to the end of January, including that student income was performing well with actual fee income for the year being forecast to reach £10.9 million, which would be year on year growth of 8% , last year was the first time fees had exceeded £10m. Less encouraging was the fact that, as discussed at the Audit & Risk Committee, £113k of bad debt had been identified. Paul Evans had provided a detailed explanation of why the differences between the systems had occurred and the Board was reassured that the error would not be repeated in the future.

Governors discussed that the planned 1% pay rise had been postponed due to the forecast profit being less than budgeted. The Board agreed that this was a disappointing, albeit financially responsible, measure to take but agreed that the pay rise be reinstated if the College's performance improved when reviewed during the summer.

The FCC Chair informed the Board that the Sales and Marketing Report was encouraging. The team were on track to deliver on the KPIs agreed at the beginning of the year and the report showed good return on investment. Work on upgrading the e-commerce system was underway and the Committee would continue to monitor the achievement of key delivery dates.

The FCC Chair reported that the Committee discussed the request from the Governing Body to look in detail at various financial scenarios and ensure that planning was in place to meet them; a series of principles were agreed with Management to inform this work and this would be reviewed at the Committee's April meeting.

20/13 Management accounts to 31 October 2019

This item was taken in conjunction with *Item 20/12 FCC Chair's Key Points*.

20/14 Governance & People Committee Chair's Key Points – 6/2/20

The Chair highlighted the Key Points from the 6 February 2020 meeting including that the Committee was recommending that Michael Simmonds be invited to serve a second (four year) term as governor and continue to Chair the Finance & Commercial Committee; and also agree that Penny Allen be co-opted on to the Quality Committee when her governor term of office ended in May 2020; the term for co-opted members being two academic years.. [M Simmonds left the meeting for this section]. The Board discussed the recommendation and **approved** the proposals.

The Chair also informed the Board that the Committee had a facilitated discussion and self-assessment on the effectiveness of the Committee. This had given rise to a number of proposals which the Committee would be discussing and bring back to the Governing Body for approval. Due to the facilitated session we did not have sufficient time for the important subject of fundraising given the departure of Ben Hicks. The Committee agreed to have an additional meeting on 6 April to consider next steps and would keep the Board informed.

Additionally, the Committee had discussed Management's Strategic Operating Plan Progress to 31 January 2020 document and had a presentation on the newly created Objective Key Results (OKR) tracking system which would allow Management to track all aspects of the strategy and, in turn, report to the Board/relevant Committees for oversight and monitoring. Succession planning was discussed in light of the departures of long standing governors – the Board continued to seek to recruit a financially qualified governor and an educationalist. The Chair left the meeting for this section whilst the Deputy Chair informed the Board that the aim, timetable allowing, that the Executive Search Company who would be assisting in the recruitment of the Chair would attend a

slot at the May Strategy Day to speak more about the recruitment process and seek governor input to formulate a brief.

Julie Gilbert tabled the Gender pay gap report that showed a mean difference of 2.87 and an improvement on the previous year. The Board was confident that the gender pay gap at City Lit was not a pay issue and its approach to pay was gender-neutral by design. Staff were paid equally for doing roles that were equivalent across the College. Governors acknowledged that female employees were in the majority in each Quartile and Management expressed that the gender pay gap was driven by their increased representation in Quartiles 3 and 4. The College was committed to continuing to work to progress towards a 0% pay gap and the Board was pleased with the results this year's Gender Pay Gap Report and **agreed** its publishing on the website.

ADDITIONAL ITEMS

20/15 **Mental Wealth Festival**

The Principal presented the Mental Wealth Festival update which outlined the first five years of City Lit hosting the event. He asked for governor input regarding the next five year strategy for Management to take into consideration as part of its review. Governors suggested the following considerations: pricing points – can these be nuanced?; revisit the purpose of hosting the festival – its intention was not a money making project but rather a contribution to the community of London; if it was to be considered as money making then even more consideration would need to be given around its oversight; rigour around the cost benefit/loss making; should there be a fallow year to consider all these aspects and allow time to think about the model?

The Principal expressed that Management needed to spend time on discussing those points and the future MWF strategy and it was suggested that this item return to the October Governing Body meeting; he added that the Mayor's office had shown an interest in the MWF as part of social prescribing and this would be something to consider also.

KEY PERFORMANCE INDICATORS

20/16 The Governing Body discussed the **Board level Key Performance Indicators** as reviewed at the February Quality Committee and Finance & Commercial Committee meetings.

DATE OF THE NEXT MEETING

20/17 The **date of the next meeting** was confirmed as **Tuesday 19 May 2020 at 11am** which would take place before the **annual strategy session at 1:30pm**, ending with dinner.

It was Keith Moffitt's last meeting as a governor City Lit governor and the Chair thanked him for his eight years of dedicated service to the Governing Body and the Quality Committee.

Chair.....

Date.....