



Minutes of the Meeting of the Governing Body of
The City Literary Institute held on 7 July 2019, 5pm
at City Lit, Keeley Street, London WC2B 4BA

Governors Present:

Penny Allen
Annita Bennett
Tim Bolderson
Jane Cooper (Deputy Chair)
Moira Gibb (Chair)
Colin Jones
Mark Malcomson (Principal)

Keith Moffitt
Wendy Moss
Sophie Neary
Raj Parkash
Paula Smith – *via telephone until 6:30pm*
Michael Simmonds
Jill Westerman

In Attendance: Paul Evans (Chief Financial Officer/Co-Managing Director); Julie Gilbert (Executive Director, People); Wendy McKaig (Vice Principal/Co-Managing Director).

Clerk: Katrina O'Sullivan

STANDING ITEMS

19/32 Apologies for absence

There were apologies for absence received from Jon Gamble and Eric Hadley (student governor). Paula Smith attended via conference call and the Chair confirmed that she was audible.

19/33 Declarations of Interest

There were no declarations of interest.

19/34 Minutes of the Meeting held on 14 May 2019

The minutes of the meeting held on 14 May 2019 were approved and signed by the Chair.

19/35 Matters Arising Not Appearing Elsewhere

There were no matters arising not appearing elsewhere.

19/36 Principal's Report – *oral report*

The Principal relayed his current concerns which were that it had been a difficult term financially. Although the College had still performed well, it had been a challenge, and the Management team had been mindful of this. He further commented that 2019/20 would be a transition year for Kean Street if the lease was approved by the Governing Body.

Centenary celebrations had helped raised the College's profile and partnerships, and a large amount of hard work had gone into this. Governors enquired about the Mental Wealth Festival (MWF) and similar events where the College gained in reputation but often with no financial gain. The Board counselled that Management should be clear regarding the ambition for such events. The Principal confirmed that after this year's MWF, Ben Hicks – the College's new Executive Director - Partnerships, would be undertaking a review of this.

19/37 College update: May-July 2019

The report was noted and taken in conjunction with *item 19/36 - oral update from the Principal* above.

Items from Committees

19/38 Governance & People Committee Chair's Key Points – 3 June 2019

The Board noted the Governance & People Committee Chair's Key Points. Highlights included that the Committee had reviewed the Key Deliverables for the strategy, which was on the Board agenda for approval. The Chair commented that the Committee had discussed Board succession planning and was recommending that a further co-opted member for the Audit & Risk (A&R) Committee would not be sought at this time. The role had been recruited to when a previous A&R Chair had not been an accountant, but this was not the case currently; the A&R co-optee's term would be finishing on 31 August 2019. The Governing Body agreed with this recommendation. The Committee was also aware that the Board would need to recruit to a number of vacancies in the years 2019-2021 and this was a standing item on its agenda. The Committee further suggested that the oversight of City Lit Patrons should fall within the remit of the Fellowship group.

19/39 Strategy: Key Deliverables

The Principal presented the report which asked the Board to discuss and agree the Key Deliverables for the 2019-2024 Strategy, as reviewed by the Governance & People Committee at its June meeting.

A lengthy conversation ensued and the Board discussed all points of clarification and governors' questions about each Key Deliverables within the Operating Plan in depth. Members enquired how the Key Deliverables could be achieved within 2019/20's tight budget. The Principal explained that finances would be reviewed regularly, and money would be released if the appropriate targets had been met; Management would also be prioritising on what could be delivered. Additionally, some of the research work could be undertaken with LBS or LSE students as part of their research projects.

The Board commented that the Key Deliverables had improved significantly since the first version and that they were crisp with clear intent. The Principal added that Management was also working on the underpinners.

Governors discussed next steps and how to monitor the Strategy. The Principal advised that Management would be working with their respective teams to develop a more detailed Operating Plan for the supporting objectives. Action: The preamble/narrative and Key Performance Indicators would be worked on further and presented to the Term 1 Governing Body meeting and the respective Committees. The Governing Body owned the Strategy but the Governance & People Committee would assist, due to having the Chairs of Committees in its membership, with aspects of monitoring and reporting to the Board.

The Board agreed that the Principal would present the overarching purpose, strategic goals and key deliverables to staff at the September 2019 Staff Conferences.

The Governing Body approved the Key Deliverables for City Lit's Strategy 2019-24.

19/40 Finance & Commercial Committee Chair's Key Points – 18 & 24 June 2019

The Finance & Commercial Committee (FCC) Chair presented the Key Points from the 18 June Committee; and also the follow-up telephone meeting it held on 24 June 2019 which were discussed and noted by the Board. The Chair informed governors that the follow-up meeting had been called in response to the funding of the Kean Street project as, at the 18 June meeting, it had challenged Management to further investigate some banking options and to understand fully the impact on the ESFA financial health rating. The Kean Street and associated loan finance reports were on the agenda for the Governing Body meeting, and the Committee recommended supporting them both.

19/41 Kean Street lease and associated loan finance

Paul Evans spoke to his report which asked the Governing Body to approve the College entering into a 15 year lease agreement (with a break at year 10) on new premises at 9-13 Kean Street to support the development of five additional generic classrooms, which would support over 4,000 additional enrolments at full capacity. To fund the project it was suggested that the College extended the overdraft facility with Barclays Bank to £2m (currently at £1m but unused to date) to assist with working capital as the fit-out costs would be in the region of £700K, which would mean that the College's cash balance at 31 July 2020 would drop to circa £700K, provided that all other financial targets were met.

Governors discussed the proposal and acknowledged that taking on the lease would be a significant opportunity to yield additional space that could be used both during the day and evening and would contribute to the College's growth plan. The Board acknowledged that because of the additional Capital Expenditure budget the College may not have sufficient cash to cover the fit-out costs so the overdraft facility should be extended as a precaution regarding any shortfall.

The Board thanked the Finance & Commercial Committee for its forensic oversight of this matter and approved the College entering into the Kean Street lease and extending the overdraft facility to £2m.

19/42 Additions to Bank Mandate

The Governing Body considered and approved the report requesting the increase in the number of staff able to authorise payments to ensure that there was adequate on-site cover, as recommended by the Finance & Commercial Committee at its 18 June meeting.

19/43 Management accounts

The Board discussed and noted the details of the management accounts to 30 April 2019 and the update on sales performance to date, as discussed at the June Finance & Commercial Committee.

19/44 Quality Committee Chair's Key Points – 25 June 2019

The Board noted the Quality Committee Chair's Key Points from its 25 June meeting which outlined in detail the discussions the Committee had regarding Ofsted Outstanding [on the Board agenda] and the new Education Inspection Framework, Quality & Tutor Development, Tutor development analysis, Student Services, Goal 2 and Quality KPIs. The Chair confirmed that staff were making significant progress in the cultural shift towards quality and tutor development, and the use of data was more robust and supported a clarity around the issues that were a priority in the different curriculum areas. The Committee discussed data relating to the retention and achievement on accredited courses compared to 2017/18. Particular concern was highlighted regarding GCSE English and Maths and BSL Level 3 and detailed action plans were in place to mitigate the issues that had contributed to risks in this current academic year. Members were assured that the plans would have an impact. The quality of the reports had been commended by the Committee.

The Chair of Governors noted that it had been the current Chair of the Quality Committee's last meeting as Chair but that she would be continuing as a governor on the Committee. She thanked Penny Allen for her service as Quality Committee Chair. As previously agreed, Tim Bolderson would take on the Chairship of that Committee from 2019/20.

19/45 Ofsted 'Outstanding'

The Quality Committee Chair explained that the Committee had requested an assessment by Management on the level of change and action required for the College to proactively seek to achieve an overall grade of 'Outstanding' for future Ofsted inspections, in correlation with the new Education Inspection Framework. The Board acknowledged the issues, opportunities and challenges regarding this topic and concluded that it agreed with Management and the Quality Committee's recommendation that, although 'outstanding' would not be explicitly stated as a goal, the College would continue to aspire and create a culture of excellence where City Lit could honestly reflect on where it needed to improve to best meet the needs of its students. This approach aligned with the new Education Inspection Framework.

19/46 Audit & Risk Committee Chair's Key Points – 26 June 2019:

The Audit & Risk (A&R) Committee Chair discussed her Key Points from the 26 June meeting. Key highlights included the External Audit Strategy which noted one material change from prior years relating to additional disclosure of Principals' compensation vs median compensation. The Clerk confirmed that the Governance & People Committee would be looking at this at its November meeting as part of the Remuneration Code work it was undertaking. Action: The Committee had also reviewed the Risk Register, and the Board asked Management to add the potential impact of CAA House (reputational issue) on to the register.

The A&R Chair further commented that audit reports had been received and discussed at the Committee regarding: Learner records and MIS data quality - *substantial* assurance was given for both the design and operational effectiveness; and Data Protection & GDPR - *moderate* assurance was given for the design of the effectiveness of the controls that are in place. Additionally, the Internal Audit plan for 2019/20 was reviewed. The Committee had accepted the three reports at its meeting. The Committee also agreed the renewal of Insurance cover with the existing provider; and recommended that the Board approve the updated Freedom of Information policy on the Board agenda.

19/47 Freedom of Information Policy

The Board considered and approved the updated *Freedom of Information (Fol) Policy and Publication Scheme* as recommended by the Audit & Risk Committee.

19/48 External audit strategy

As discussed during the Chair's Key Points the external audit strategy was agreed by the Board.

19/49 Internal audit strategy

As discussed during the Chair's Key Points the internal audit strategy and the Internal Audit Charter was agreed by the Board.

Compliance Matters

19/50 Governance update:
FE Commissioner's letter & 10 characteristics of a well run college
FE Insolvency regime – information for governors

The Clerk's report gave the Board sight of 1) the FE Commissioner's termly letter & 10 characteristics of a well run College; and 2) FE Insolvency Regime information for governors.

The Board discussed and were mindful of the contents of the FE Commissioner's termly letter & 10 characteristics; and noted the governance update regarding the FE Insolvency regime and its implications for governors.

Date of the next meeting

19/51 The date of the next meeting was confirmed as Monday 14 October 2019, 5pm (with 4:30pm departmental presentation), followed by a leaving dinner for Annita Bennett.

As a reminder, the 2019/20 Governing Body dates are:

- 3 December 2019, 5pm
- 10 March 2020, 5pm
- 19 May 2020, GB followed by Strategy Session and dinner (all day).
- 7 July 2020, 5pm.

All meetings follow a 4:30pm departmental presentation.

Chair.....

Date.....