

**CORPORATION BOARD of UNITED COLLEGE GROUP**  
**Minutes of a meeting of the Governance, Search and Remuneration Committee**  
**Wednesday 19 May 2021 6.00 pm by Zoom**

**Members Present:** Laura Griffin (Chair), Franklin Asante, Colin Smith, Tony Johnston, Jan Knight

**In attendance:** Zoë Lawrence (Director of Governance), Nick Bell CEO\*

\*in attendance for relevant agenda items

<b>1</b>	<p><b>Welcome and apologies for absence</b></p> <p>LG welcomed everyone to the meeting. Apologies had been received from Alex Fyfe.</p> <p><b>Member Announcements</b></p> <p>LG reminded members that this was JK's last GSR Committee meeting before her term of office came to an end in the Summer. Members thanked JK for her significant contribution to the FE sector spanning 14 years of voluntary service as a board member at CNWL prior to merger and more recently at UCG.</p>
<b>2</b>	<p><b>Declarations of interest in the agenda items</b></p> <ul style="list-style-type: none"> <li>• NB had a COI in item 4a and left the meeting for part of that item.</li> <li>• TJ had a COI in item 4d and left the meeting for that item</li> <li>• ZL had a COI in item 4f.</li> <li>• FA had a COI in 5a.</li> </ul>
<b>3</b>	<p><b>Minutes of previous meeting</b></p> <p><i>(Minutes and actions were circulated in advance)</i></p> <p>The confidential and non-confidential minutes of the meeting held on 27 January 2021 were approved as an accurate record for signing.</p>
<b>4</b>	<p><b>Remuneration</b></p> <p><b>(a) SPH Objectives</b></p> <p><i>(Paper circulated in advance)</i></p> <p>See Confidential Minutes</p> <p><b>(b) SPH Objective setting process/ timeline</b></p> <p><i>(Paper circulated in advance)</i></p> <p>This paper set out the Corporation's responsibilities in regard to SPHs and proposed a process and timeline for their performance management. A form was also included to assist with the process. LG said that she thought that the structure was good and the proposed documentation clear, but suggested that the form be amended to be prospective as well as retrospective and include a section on values and behaviours. It was agreed that <i>how</i> SPHs performed was as important as delivery on their objectives. TJ commented that formal performance management/appraisal within the organisation was still patchy and that it would be important for senior leadership to get this right and be role models so that it cascades within the organisation. Additionally, starting the process early in the academic year allowed</p>

	<p>the cascade of objectives. Members approved the paper and for the process to start from July 2021.</p> <p><b>(c) AoC SPH Pay Survey</b> <i>(Paper circulated in advance)</i></p> <p>This report had been circulated for information for SPH salary benchmarking. It was noted that whilst the CEO salary of the college group was not an outlier, higher salaries were being paid for the second in line posts and that these were more than the upper quartile in the sector. There was currently no requirement for the remuneration of these SPHs to be disclosed, but this position may change. Only the CEO’s remuneration was currently required to be included in the annual remuneration report. It was also noted that the new requirements in the Code of Good Governance required the remuneration report to be published on the college website. Members acknowledged the higher pay for the Group Principal and CFO posts and considered the justifications for these in the financial stability of the college and the calibre of the personnel. The salaries reflected the expectations of the roles and contributed to retention of SPHs. Members noted the report.</p> <p><b>(d) Chair’s appraisal</b> See Confidential Minutes</p> <p><b>(e) SPH Policies – review</b> <i>(Paper circulated in advance)</i></p> <p>ZL presented a few amendments to the SPH policies which included a change to the appeals process in the disciplinary policy. This would change from the chair being reserved for the appeal to three governors being reserved for the appeal who had no previous involvement in the case. This change was made as it was agreed to be impracticable to reserve the chair in such instances and maintain sufficient independence. The Committee agreed the changes and for the policies to be recommended to the Corporation for approval.</p> <p>Members noted that it would ultimately be of benefit for there to be a single policy for UCG on grievance, discipline and capability and that the separate ones for SPHs would no longer be needed. It was not considered that the organisation was at this stage currently as the wider policy framework was not sufficiently robust. This would be reviewed again in due course.</p> <p><b>(f) Governance Professional qualifications</b> <i>(Paper circulated in advance)</i></p> <p>This paper set out a proposal for Committee endorsement to part fund the Director of Governance’s CIPFA Diploma in Corporate Governance. Members supported this expenditure which was from the governance budget.</p>
5	<p><b>Governance</b></p> <p><b>(a) Governance for Commercial Entity – Update</b> <i>(Document circulated in advance)</i></p> <p>NB had provided a summary of the Visionnaires CIC proposal and through this item was nominating FA to be the NED on the board of Visionnaires should the Corporation approve the</p>

venture later in the month. Members agreed that FA had the skills and attributes for the role and supported the nomination. FA confirmed he was willing to stand and he supported the venture. He considered it to be reputationally of value and asked what leverage there would be that could benefit the college in the longer term. The GSR Committee approved the nomination.

**(b) Policy Framework Audit**

*(Document circulated in advance)*

ZL had circulated this report in draft as she considered it to be relevant to governance. It would also be included on the Audit Committee agenda. The report was in draft form and currently did not include management responses. The recommendations highlighted significant issues in the policy framework, in particular that there were different policies at different campuses, that many of the policies were out of date, there was no communication of policies to staff or processes in place for their review. An action plan of how the issues were to be addressed would be presented to the Audit Committee on 9 June 2021. This would also be shared with this committee. It was agreed that this be included in SPH objectives next year to ensure the issues were rectified. LG commented how the policy framework in an organisation can affect staff satisfaction and that they were a foundation stone in how an organisation operated. Many organisations with poor policy frameworks were often not good employers. Sufficient time had now passed since merger to ensure that the policies were harmonised across the organisation. JK commented that the poor policy framework could leave the organisation exposed to legal challenge and the current position was potentially confusing for staff. JK said that she would also ensure similar support be made through the Audit Committee.

**(c) Governance Risk Register**

*(Document circulated in advance)*

ZL highlighted the main movements in the risk register. Coronavirus related risks had reduced due to the vaccination campaign and the reduction in infections. Finance related risks had increased as a result of the uncertainty surrounding borrowing and cash flows to purchase the Olympic Office Centre. Regulatory risk had also increased following the findings of the policy framework audit (see above). Members noted the risk register.

**(d) Governance KPIs**

*(Document circulated in advance)*

ZL presented the KPIs for the mid-point in the academic year. Most indicators were at the same level or better than the previous year. ZL sought the Committee's views on revising the KPIs into a set that better reflected the activities of the Corporation and created more meaningful targets in line with governor responsibilities. This was likely to include an EDI KPI. Members agreed and asked for this to be brought back to the next meeting in September.

**(e) Governance Evaluation**

*(Document circulated in advance)*

ZL sought the Committee's agreement to conduct a governance evaluation based on the same process and using the same questionnaire as previous years. This was agreed and it would be completed over the Summer. ZL also brought to the Committee's attention the new

	<p>requirement in the White Paper for an external effectiveness review of governance to take place at least every three years. ZL mentioned that an internal audit of governance had taken place in 2019/20 so it would be opportune for an external review to take place at the end of 2021/22. Members were in agreement with this proposal and suggested that the review would be of more value if conducted by an organisation external to the FE sector, so benchmarking would be against other wider public sector organisations and not just FE. JK noted that this would be of value in the prospect of any merger and it was anticipated that the college would perform well. ZL agreed to take this forward and bring back a proposal with costed options and ToR for further discussion.</p> <p><b>(f) AoC Code of Good Governance – Consultation</b>  <i>(Document circulated in advance)</i></p> <p>Changes to the AoC Code of Good Governance had recently be out for consultation reflecting the new requirements in the FE White Paper and subsequent FE Bill. The paper provided highlighted new text and previous text for comparison. UCG has adopted this code and reports against it in the Governance Statement in the annual report. ZL highlighted some of the changes and how these strengthened governance. Once the final version of the revised code was available she would do some further analysis and assess what changes needed to be made to governance structures and implementation of the Code. It was also likely to impact SLT members which ZL would take forward with them. Members noted the report.</p>
6	<p><b>Search</b></p> <p><b>(a) Committee Membership</b>  <i>(Committee chart circulated in advance)</i></p> <p>ZL presented the proposed Committee Structure and membership from September 2021. The main changes were to the Audit Committee membership and chair, the renaming of the Finance and General Purposes Committee to Finance and Resources and completing the transition of the GSR Committee to a committee of committee chairs. TJ suggested that SD be included in the Property &amp; Infrastructure Committee membership as an official. This was agreed. Members agreed to recommend the changes to the Corporation.</p> <p><b>(b) Skills Audit – Review</b>  <i>(Skills Audit questionnaire provided in advance)</i></p> <p>ZL had proposed in track changes some amendments to the skills audit form which better reflected current terminology and skills requirements of the Corporation’s business. Members approved the changes and for the revised form to be used from September 2021.</p> <p><b>(c) Composition of the Corporation – EDI</b>  <i>(Paper and data provided in advance)</i></p> <p>A summary of the Corporation composition based on 4 protected characteristics was provided to members. The data showed a 50% representation of people from ethnic minority backgrounds, 38% female, no members self-declared as disabled, and there was an age range from 35 – 65+. ZL asked members’ views on widening the range of EDI data collected. There was general agreement that it would be helpful to try to collect data on all 8 protected characteristics with ‘prefer not to say’ included as an option. It was also suggested that an</p>

	<p>anonymous electronic survey be conducted annually which may encourage more members to disclose sensitive information. ZL said she would amend the current data form to include all the characteristics and look at anonymous survey options. Members felt that this information would be of value to identify any gaps, and for these to be filled through alternative means or advice should membership representation not be an option.</p> <p><b>(d) New Governor Induction</b> ZL verbally updated members on the induction processes for the new governors which had included meetings with the Chair and SLT, handover arrangements were appropriate and governor buddying. Members welcomed this.</p>
<b>7</b>	<p><b>Any Other Business</b> <b>No items were raised</b></p>
<b>8</b>	<p><b>Dates of Future meetings</b> September 2021 (TBC)</p> <p>The meeting closed at 8.10 pm</p>

Minutes taken by Zoë Lawrence 20/05/2021

**SIGNED:** .....

**Date:**

**Laura Griffin, Chair**

#### **ACTIONS**

<b>Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status</b>
<b>Conf Mins</b>	To arrange a meeting for the CEO's performance review with the Chair and Vice Chair, to include a discussion on objectives and 360 degree appraisal.	ZL	
<b>Conf Mins</b>	To issue questionnaire for chair's appraisal and collate responses. Arrange a meeting for feedback to Chair.	ZL	<b>Complete</b>
<b>4b</b>	Amend the SPH Performance Review Form as discussed and provided final version to CEO for future use	ZL	
<b>4e</b>	SPH Policies to be recommended to the Corporation for approval.	ZL	<b>Complete</b>
<b>5b</b>	SPH Objectives to include ensuring the robust and effective policy framework for UCG	TJ/FA	
<b>5d</b>	Review Governance KPIs for the next meeting of the Committee	ZL	<b>Complete</b>
<b>5e</b>	Prepare a proposal providing costed options for an external review of governance	ZL	

<b>5e</b>	Conduct an internal governance evaluation through the questionnaire.	ZL	
<b>5f</b>	Prepare a review of current governance practice against the revised AoC Code of Good Governance (once published – due in July 2021)	ZL	
<b>6a</b>	Amend the Committee membership as discussed for Corporation Approval	ZL	<b>Complete</b>
<b>6e</b>	To amend the EDI data form to include all 8 protected characteristics and issue for completion in the Autumn term.	ZL	