

CORPORATION BOARD of UNITED COLLEGES GROUP
Minutes of the Finance and General Purposes Committee
Wednesday 17 March 2021, 6 pm – by Zoom

Members Present: Franklin Asante (Chair), Nick Bell, Alex Fyfe, Lee Horsley, Tony Johnston, Ross Mackenzie, Nadia Babar (staff governor)

In attendance: Zoë Lawrence, Amanda Thorneycroft, Claire Collins*, Paul Bradley*

*for relevant agenda items only

1	<p>Welcome and apologies for absence. Apologies had been received from Laura Griffin.</p> <p>FA welcomed Nadia Babar to the Committee. Nadia was a newly appointed staff governor who is a Marketing Executive based at the Willesden campus.</p>
2	<p>Declarations of Interest in the agenda items No declarations of interest were made.</p>
3	<p>Minutes of meeting held on 20 January 2021 The minutes of the Committee held on 20 January 2021 were approved as an accurate record and would be signed by the Chair.</p> <p>Matters Arising Matters arising were either covered on this agenda or had been deferred to the next meeting.</p>
4	<p>STRATEGIC ITEMS</p> <p>i. Finance KPIs <i>(KPIs circulated in advance)</i> AT clarified the position on the cash in hand days that this calculation had excluded £10m reserves. With this included it increased the cash in hand days to 208, so that indicator should be green RAG rated. She explained that the KPIs, based on the January management accounts, did not take account of the income profile which caused swings in the operating surplus. AT mentioned that it was possible that the drop in income may impact on the staff costs as a % of income measure this year. The Committee noted the KPIs.</p> <p>ii. Financial Risk Register <i>(Risk Register circulated in advance)</i> AT highlighted to the Committee the key financial risks, these included delivering on the funding allocation (pending tolerances), impact of the Wembley project on cash flow and banking covenants, impact of the £2.7m loss in 16-19 year old income in 2021/22 on the confidence of lenders. Tuition fees were to be discussed elsewhere on the agenda.</p> <p>TJ asked if the impact on delivering against the funding allocation was mostly as a result of the pandemic and lockdown. AT said that it was a significant factor which included elements of enrolment, and being unable to transfer provision to subcontracted partners due to lockdown. NB commented that there were a several college groups in a similar position, some delivering only 75% against allocation. It was expected that the tolerance level would be reduced to 85%. A business case was also being put to the ESFA in an attempt to recover</p>

some of the losses from the 16-19 year old reduction in student numbers this year. It was noted that a few colleges had seen an increase, and TJ queried what they had done differently, whether this was as a result of better marketing, recruitment processes and attrition. NB said it may be due to those colleges reverting to face-to-face enrolment, and new campus buildings. UCG's students were from closer local areas indicating that travel during the pandemic had influenced choices. The Committee noted the risk register.

iii. HR Risk Register

(Risk Register circulated in advance)

CC highlighted the main HR risks to the committee, these included attracting the right staff to permanent roles, staff engagement, increased TU activity and the impact of coronavirus on staff well-being. It was reported that the issues on the teaching staff contract which had been ongoing since merger would be resolved by April. In respect to staff well-being and the pandemic, over 1000 staff and students had been tested since the return to face to face teaching on 8 March and all had been negative. TJ commented that the arrow on the SCR risk should be pointing down, rather than up. The Committee noted the risk register.

iv. Strategic Review of Cockpit Theatre

(Paper circulated in advance)

NB described the main broad options for the Cockpit Theatre as set out in the paper. These included the closing and mothballing of the building, selling the building or redeveloping it into a viable business with various options to expand the building working with local partners. In taking this forward, it was suggested that a Steering Group be set up which would include internal staff, external partners and a number of governors. It was noted that the decisions on the Cockpit spanned a number of Committees including Property & Infrastructure, Finance, Curriculum and the Commercial Group.

RM was of the view that it was necessary to arrive at a strategic conviction or conclusion about the future of the Cockpit initially. Was it within UCG's strategic purpose and vision to retain a theatre and what were the community and educational priorities for it. NB agreed that this needed to be discussed further including the options for the theatre as an asset to the community, a teaching space for new or existing courses such as those for theatre technicians, ideas for expansion and redevelopment within the Church Street plans. AF explained some of the history that the rebuild of the Paddington Campus which included a Theatre about 7 years ago, had resulted in a different purpose for the Cockpit. It was no longer used as a main teaching facility.

AT considered that the FE Capital Transformation Grant may enable some resources to be invested in the Cockpit, though it was acknowledged that it may not be possible to pursue it until 2024 due to the bid criteria. LH was supportive of retaining the Cockpit as long as it could be financially viable, and at least break even.

TJ said that he would like to see more evidence that it was not possible to make a decision based on the current information available. He noted that there was no UCG or CWC branding on the Cockpit and therefore no linkage in respect to UCG's reputation with the community. He would want to understand the extent to which learning could be delivered at the Cockpit and challenged the degree of management capacity to take this forward at the current time. He was concerned that it may distract from the Wembley & Willesden project and whether it needed to wait until after 2025. He queried if it was affordable, pointing out that the losses as a result of the pandemic were the reason for the current focus, and if business returned to previous levels would it be of such concern? AT noted that the Church

	<p>Street master plan was due to be implemented from 2024, and whether waiting for this would better align with Westminster Council’s plans and funding.</p> <p>It was agreed to establish a Steering Group in the first instance to discuss this further and bring back a report with a firmer recommendation on next steps to the Committee.</p>
5	<p>FINANCE ITEMS</p> <p>i. Enrolment – Tuition Fees and Attrition <i>(Paper circulated in advance)</i></p> <p>PB described the process taken for enrolment the previous year which involved a move to online enrolment due to the coronavirus pandemic. The online portal for enrolment had been technically successful, and it was planned for this to be further adapted and improved for this year. It was acknowledged that the focus for the online enrolment had been too narrow omitting the key points of interaction with and engagement of students including ‘keep warm’ activities. Students also reported difficulties with contacting the college, plus there was insufficient support and training for agency staff. The paper presented set out these issues in detail and was considered to be an honest reflection of events.</p> <p>Going forward PB described how a wider enrolment team was being established which would include all the relevant areas of responsibility in the organisation. It was likely that a hybrid approach would be taken allowing both online and face to face enrolment. The plan would include communications, marketing, and curriculum and would be sub-divided to allocate ownership of responsibilities. A project delivery framework would be implemented to ensure each element could be tracked. It was noted that GCSE results would be issued earlier due to Centre Assessed Grades (CAGs). Communications and marketing were considered to be of particular importance as was using student data to track applications. A detailed plan was expected within the following three weeks.</p> <p>It was acknowledged in discussion that the pandemic had created challenging and unprecedented circumstances. A significant effort had been put into creating the online enrolment system for the previous year. On reflection, as some of the coronavirus restrictions had eased by the Summer, it was considered whether the right approach to continue with online enrolment had been the best one. The Committee was in agreement that the financial loss had been significant and that UCG could not afford to be in the same position again.</p> <p>LH said that he recognised the efforts to move to online enrolment but felt that the choice of either online or face to face would be key and further consideration would be needed for the long-term.</p> <p>TJ thanked PB for the honest paper and asked if there was any evidence of students making decisions on their choice of college earlier as a result of the CAGs and early issuing of the GCSE results. AT said that there was no evidence of this currently and she was not aware of application numbers at this stage. NB commented that there had been a reduction in students travelling further to the college and an emphasis on students staying more local to where they lived.</p> <p>TJ said that a robust enrolment system needed to be in place as early as possible, and asked if it was possible to accelerate current plans? PB gave assurance that the most senior staff were involved and that it was the single biggest focus at the current time. AT confirmed this</p>

stating that the entire Group Operational Team (GOT) meeting the following week had been dedicated entirely to enrolment. The handling of the GCSE results being brought forward still needed to be resolved as it would coincide with staff holidays. NBa commented that some colleges had started their marketing campaigns already. More enquiries were expected following the Easter break and she felt that it was of importance to be prepared for this.

TJ asked if there was any data from last summer of students who started the online process but didn't complete it. This data was not available but it was being tracked for applications this year with contacts being followed up. NBa suggested that the college use online chat facilities to support student and What's App for business.

RM commented how extensive the project was and how critical it would be to build in agility to the project methodology. He stressed the importance of understanding who the personas were that would be using the systems and ensuring these were differentiated for and of value to the user. He suggested a segmented client/user approach rather than one of process. The user interface would be critical, and how technologies can be used to assist students through the complex workflows. It would also be key to identify what needed to be in place by the time the GCSE results are issued and prioritise these aspects. PB welcomed these comments and said that more work was being taken forward on what the hybrid model would look like. He hoped that this would help to avoid long queues for students. AF noted that it was not only important to increase the number of enrolments, but also to ensure that students were enrolled on to the right course of study for them to improve retention.

The plan being developed would be shared with the committee in three weeks' time.

PB left the meeting at 6.44 pm

ii. Management Accounts (Jan)

(Paper circulated in advance)

AT reported a current –ve variance for January, but that this was likely to recover as it was mostly due to time differences. AT highlighted the key areas of concern which included the GLA procured income, tuition fees, and Borough income. Payroll had a –ve variance due to agency costs during January, where there had been a backlog of invoicing. This was expected to level and be a one off.

RM asked how large variances against reforecast were handled. AT said that the budget reforecast was not amended, but any permanent variances were included in a separate row. This was to enable transparency on the accounts. AF confirmed this process and that it had worked well in prior years. AF also asked what the process was to enable more visibility for agency costs to prevent these hits on expenditure. AT considered this to be pertinent point as SLT did not have this degree of visibility which had been exacerbated by lockdown and limits to the PO system. The majority of the agency invoices had been from Learning Support Assistants were many of the staff work on a casual basis making it harder to plan. She thought that this was something that the SLT could re-consider.

iii. Standing Financial Instructions

(Draft policy circulated in advance)

AT reminded members that the SFIs had been amended the previous year to increase budget holders' approval levels and provide flexibilities to the PO process in light of the pandemic and the need for home working. Now that restrictions were lifting, these provisions had

	<p>been removed and the prior version provided for approval. AF queried a small point about the approval of the Chair’s expenses, which would be amended to be consistent with the Governor Expenses Policy. Pending this small change, the Committee agreed to recommend the Standing Financial Instructions to the Corporation for approval.</p> <p>iv. Tuition Fees Policy <i>(Draft policy circulated in advance)</i></p> <p>It was noted that this policy had transferred from the Group Principal to the CFO. The policy was largely driven by the funding rules and would need to be amended if the funding rules were to change. It was agreed that given the number of HE students had been declining that the fee level would not be increased for the next academic year. The committee agreed to recommend the policy to the Corporation for approval.</p>
6	<p>HR ITEMS</p> <p>i. Gender Pay Gap Report <i>(Report circulated in advance)</i></p> <p>Overall, it was noted that the gender pay gap had narrowed further from the previous year. It was considered that UCG were performing well in this area and it would contribute towards the EDI targets. CC said that an equal pay review was also being conducted which would report soon. AF noted the improvement and asked if this was as a result of some specific strategy which had been implemented, or was it just how current figures had panned out. CC thought that it was the latter, but may be due to UCG having more female managers. She was intending to look into this and track changes. In line with requirements, this report would be published on the UCG website.</p> <p>ii. Staff Well-being Strategic Framework <i>(Paper circulated in advance)</i></p> <p>CC outlined the work which had been undertaken to support staff mental health and well-being and also future plans for its continuation. Feedback had been sought through short staff surveys to ascertain the effectiveness of initiatives and gain a sense of how staff were feeling. 150 member of staff had responded. Members welcomed the report and comment was made on the Ofsted Inspectors including reference to staff well-being in their discussions with governors. NB said that governors would continue to be kept apprised of this going forward. Members noted the framework.</p>
	<p>Date of next meeting 12 May 2021</p> <p>Meeting closed at 8.15 pm</p>

Minutes taken by Zoë Lawrence 18/03/2021

SIGNED:

Date:

Franklin Asante, Chair

Ref	Action	Owner	Status
4ii 20/01/2021	To include the Marketing Analysis report on the next F&GP agenda.	CC/ZL	Carried forward
04iv	To define the ToR for the Cockpit Theatre Steering Group, consult on membership and hold an initial meeting.	ZL/NB	
05i	The detailed enrolment plan to be shared with governors around 12 April (as soon as available and not to wait until the next meeting of the Committee)	PB/AT	Complete