CORPORATION BOARD of UNITED COLLEGES GROUP
Minutes of the Special Meeting of the Finance and Resources Committee
Wednesday 29 June 2022, 5.30 pm – by Zoom

Members Present: Franklin Asante (Chair), Stephen Davis, Tony Johnston, Alex Fyfe, Ross Mackenzie,
In attendance: Zoë Lawrence, Amanda Thorneycroft, Claire Collins.

1	**Welcome and apologies for absence.** Apologies had been received from Lee Horsley, Laura Griffin and Nadia Babar. FA welcomed everyone to the meeting and thanked members for making the time available to review the 2022/23 budget prior to the Corporation meeting the following week. SD apologised that it had not been available on 22 June.
2	**Declarations of Interest in the agenda items** No declarations of interest were made.
3	**UCG Budget 2022/23** *(Papers circulated earlier the same day)* AT presented the budget which was in the same format as previous years. The paper outlined the main assumptions. In summary the budget was top down on income lines, and payroll included established staff, new posts, and vacancies. The balance would be achieved through the use of HPL or agency staff. Departments had put forward their budgets which had been consolidated, with some unnecessary elements stripped out. Members discussed the income streams, how these linked to curriculum planning, but also the degree to which the amounts were not predictable as it would depend on the type and personal circumstances of the student enrolling whether they were eligible for funding or not. TJ asked how the student would know whether a course was free? SD explained that the 'Free Courses for Jobs' at level 3 had been promoted through a national campaign but the overall landscape in this area was muddled and difficult to understand. It was also limited by the smaller amount of L3 courses UCG offered. It was acknowledged that this was an area of risk in the budget at this stage. Until students enrolled it was not certain which income streams could be used, the elements that were funded, or the income from tuition fees. AT highlighted the growth on income for high needs students, and that other income was now budgeted back to pre-pandemic levels. TJ asked if there was potential growth in apprenticeship income. SD said that this was currently not planned as he wanted to complete a strategic review in this area. TJ also asked if it would be possible to receive any in-year growth funding for 16-18 year-olds. AT considered this unlikely unless there was a significant increase in learner numbers to warrant it. The impact of the increase in delivery hours was noted, and that it had been absorbed into the budget. The Committee discussed the proposed current staff pay award which was still in negotiation with the recognised trade unions. AF asked for an explanation of the changes in cost. AT said that the overall increase in staff pay in the budget was at 6%. This was made up of 4% of pay awards and movement in spine points plus 2% in the difference in hours. Resource had been taken out in terms of posts and vacancies to balance the budget. No redundancies were

	expected but posts may be kept vacant. SD highlighted the new allocations of income which also supported these costs. AF asked if the agency costs budgeted for was realistic. AT said that this would depend on the ability to recruit permanent staff. During 2021/22 it had been possible to recruit to some expensive business support posts which had allowed savings to be made. Internal promotion and transfer of LSA agency staff to casual staff was also being pursued. TJ asked what would happen should the pay negotiations not be accepted by the unions. AT said that the current offer had been budgeted for and it would be difficult to support a higher offer. The 10% claim being made by the unions was unaffordable, but the offer that was being made was slightly more than the recommendation by the AoC. SD was very keen to take a more strategic view and agree a three year pay deal based on growth and be self-funding. TJ asked if the stance that the Corporation had approved the budget and that there was no further movement would be helpful in negotiations. RM suggested that the budget remains dynamic, for risks to be identified and then to reforecast in-year. He acknowledged that there was not much leeway on affordability of the pay award, and that the Corporation approval of the budget could strengthen the negotiating position. It would also be worth noting with the unions that further pay increases may result in additional restructuring of the workforce profile and addressing of underperformance. SD was keen to ensure the pay deal could not be used divisively, or cause strike action. He was keen to engage staff in the process and longer-term benefits. AF asked about the VAT positioning on the rental income from the Olympic Office Centre and how this would be reconciled in the accounts. AT said that she expected the net amount to be capitalised but would check this and take additional tax advice. The TOGC arrangements on purchase of the site had been completed and there continued to be tenants in the building. FA summarised that the additional risk on the budget regarding the pay negotiations should be highlighted. He thanked the executive team for preparing and presenting the budget. TJ commented that the Corporation had confidence in the Executive in delivering against it. **The Committee resolved to recommend the budget to the Corporation for approval.**
	Date of next meeting **TBC** Meeting closed at 6.30 pm

Minutes taken by Zoë Lawrence 30/06/2022

SIGNED: ………………………………………….. Date:

Franklin Asante, Chair