

CORPORATION BOARD of UNITED COLLEGES GROUP
Minutes of the Finance and General Purposes Committee
Wednesday 25 March 2020, 5.30 pm – by Zoom

Members Present: Tony Johnston (Chair), Nick Bell, Franklin Asante, Alex Fyfe, Lee Horsley.

In attendance: Zoë Lawrence, Amanda Thorneycroft.

1	Welcome and apologies for absence. There were no apologies. 100% attendance.	
2	Declarations of Interest in the agenda items No declarations were made.	
3	Minutes of meeting held on 12 February 2020 The minutes of the meeting held on 12 February were approved as an accurate record and would be signed. NB reported that the Integrated Financial Model for Colleges which was discussed at the meeting on 12 February was submitted to the ESFA within the timescales indicated in the minutes. ZL said that a report of the written resolution for the IFMC would be included for information in the Corporation papers the following week. Matters Arising There were no matters arising.	
4	STRATEGIC i. Covid 19 Update Following the government closure of schools and colleges in response to the Covid 19 outbreak, TJ sought that all the hard work and efforts of the SLT be acknowledged and recorded. SLT and college staff have worked tirelessly and at personal risk and this was appreciated by the Corporation. TJ asked NB to provide a summary of actions to date. NB echoed his thanks to the SLT and everyone at UCG for their efforts in what has been a significant task. In the past week there has been a shift from traditional face-to-face teaching to the position by Monday 30 March that all teaching would be fully digital. W/c 23 March has been a study week for students, and a week for CPD for teachers to receive training in online delivery. Despite the government requesting that face-to-face provision continued for high needs students, a decision was taken not to do this as it was not considered safe to do so. All parents had been contacted. Only essential staff would be allowed into the campuses, with the majority closing though Paddington would remain open for essential services. Transport for staff was being arranged so they were able to avoid using public transport. Equipment, including laptops and dongles were being provided to support home working. The SLT were conscious that there may be issues with the IT but it was hoped that these could be resolved over the Easter leave period. AT provided an update on the financial impact. There was some good news that the ESFA would be continuing to pay on the current profile for 16 – 18 provision and there would be no impact from this on the 20/21 funding. The GLA had also confirmed that they would continue to fund adult programmes on profile, so there was unlikely to be any claw back in December. The GLA was providing similar support for procured provision and were not looking to make contract reductions in May. Though this was not currently guaranteed it did provide a level of comfort. There was likely to be an impact from being unable to enrol	

adults for term 3. It may be necessary to recognise a break in learning for apprenticeships, as there was currently no practical learning taking place. This may have a funding impact. Additionally, at the current time it was not certain that Borough funding for high needs learners would be paid. This was likely to put £4.5m at risk. £400k of tuition fees and £400k of commercial income from lettings and the theatre were also at risk.

AT reported that a decision had been made to continue to pay staff including HLPs and agency staff who are delivering a teaching role until at least the end of April. The requirement for schools to accommodate children of key workers did not apply to FE as the students were 16 or older and deemed able to look after themselves unsupervised at that age.

LH asked at what point it would be possible to have a financial reforecast for the remainder of the year. AT said that she and her team needed time to remodel, resources were currently limited due to the PWC due diligence exercise, so it was likely to be after the Easter break. More certainty from government and other parties was also needed before a more secure plan could be provided. It was noted that the decisions to date in managing the position for the College had been made on the basis of business continuity for students and the safety of staff and students – these had not been driven by the financial outcome. The Committee recognised this but was also mindful of its responsibilities to monitor expenditure and ensure financial sustainability.

AF suggested that it may be possible to get some government support for wages for commercial aspects of the business such as lettings and the Cockpit Theatre. This was being looked into.

NB reported that the security, cleaning and catering services in the college were provided by external private companies. The staff were likely to be supported by the government's furlough scheme where they would receive 80% of their salaries. The college has offered to pay the remaining 20%. It was hoped that this would retain the staff and enable services to resume promptly once the college was allowed to reopen. The financial impact of this was still to be calculated. It was hoped also that these measures would support people on lower incomes. This was also in line with government policy on supporting the supply chain and protecting contracts.

Governors were generally supportive of this approach but requested to know the financial impact as soon as possible and for it to be kept under review. AF sought that payments be made against a schedule of average hours to manage any financial exposure.

AT reported that the security and catering contracts were due to expire at the end of the academic year, and in the circumstances of needing business continuity and the difficulties in conducting a retendering process at the current time asked that these contracts be extended. Members agreed that the contracts could be extended for 12 months.

AT said that it was likely that there may be cost savings on utility bills, and the 80% furlough payments would be a saving. However, there were cost increases from the purchase of IT equipment and data contracts, and exams needed to be entered to be able to receive the results so there would be minimal savings there.

TJ asked what the rationale was for continuing to pay agency staff particularly as they were often expensive and the quality variable. CC explained that this was filling a teacher

	<p>vacancy, and that the position would be reviewed at the end of April if agency staff were not fulfilling their roles effectively. If they were not in post, students would lose out.</p> <p>CC reported that most staff had risen to the challenges positively. All the arrangements for home working had been agreed in close collaboration with the recognised trade unions. There was positive engagement from staff to the use of technology and training was progressing well. The UCG website was providing a central information point, and staff were giving positive feedback on the responsiveness and levels of communication. Communications and Marketing were looking to develop supportive networks such as chat rooms, volunteering, buddying and support with well-being for staff. Staff reporting of sickness to First Care initially had been challenging as they had been overwhelmed with calls. Processes, which had been agreed with the trade unions, were in place for staff who were not being compliant, but this was a small minority. Marketing were also working to keep students engaged in learning and linked with the college.</p> <p>TJ asked what changes there would be to the Summer enrolment campaign as the usual advertising on buses and in tube stations would be pointless as no one was travelling. CC said that this would be reconsidered over Easter as it would need to be approached very differently. It was also likely that enrolment could be brought earlier in the Summer as GCSE exam results were currently expected to be awarded by the end of July. Digital enrolment was also a possible option.</p> <p>NB presented his paper on temporary changes to the bursary and financial support policy which was recommending that free school meal payments continue and be increased to reflect the subsidy provided by college catering. The payments would be dependent on attendance for remote learning and were likely to cost the college an additional £42k until the end of the academic year.</p> <p>AF said that she was supportive of the proposal and sought clarity on the voucher system which was soon to be in operation by the Government. NB said that the vouchers would replace the cash payments and would be for exchange in grocery stores. Overall, members agreed that this was the right action to take in supporting vulnerable communities and approved the temporary change.</p> <p>ii. Financial Risk Register <i>(Paper circulated in advance)</i> Members noted the increased financial risks associated with the Covid 19 outbreak, and that this had been discussed in detail earlier in the meeting.</p> <p>iii. HR Risk Register Given the higher priority and work involved with Covid 19, it had not been possible to provide this to the committee at the current time. The HR risk register would be sent to the Committee in due course.</p>	
5	<p>FINANCE</p> <p>i. Management Accounts (Jan) <i>(Dashboard provided in advance)</i> AT apologised that there had not been time to prepare a written commentary to the management accounts on this occasion. She reported that as of these January accounts there were no issues of particular concern. She said that it was difficult to predict the</p>	

	<p>budget outturn and referred to the financial issues discussed earlier in the meeting. Payroll was of slight concern and was showing a negative variance due to payment of overtime in the run up to the Ofsted inspection, but it was too soon to consider whether this trend was continuing. Non-pay costs had some areas over budget due to payment of the Interim Director of Business and the Network Learning contract. There were some timing differences. Members resolved to receive the management accounts.</p> <p>ii. Standing Financial Instructions <i>(Policy provided in advance)</i></p> <p>Members reviewed the SFIs. The main changes referred to job titles and reference updates. A signing authority had also been given to the Group Principal. Members also discussed a temporary amendment to pay invoices without a PO and for budget holders to be able to authorise payment up to £50k from £5k. This was a temporary measure, which would not apply to new suppliers, to allow payments to continue for home working, for a limited period in response to Covid 19. The majority of invoices would be for direct debits for items like utilities. All payments would be scrutinised by Finance and challenged where necessary. AF asked that this amendment be made clear for finance and staff. She thought that the increase from £5k to £50k was large. She also queried clauses 5.5, 5.6 and 9.5 in the SFIs which referred to cheques and potentially outdated modes of payment, and that these should be updated with electronic methods at some point. It was agreed that pending clarity on the proposed temporary amendment to accommodate home working that the Committee were content to recommend the SFIs to the Corporation for approval.</p> <p>iv. Tuition Fees Policy <i>(Policy provided in advance)</i></p> <p>AT presented these policies to the Committee. The FE fees were generally controlled by guided learning hours, but there was more discretion on HE fees. FA asked if the move to more online delivery would continue and if it did would this impact on fee levels. NB said that the college would be looking at more online and blended delivery and would keep the charges under review. TJ noted that the refunds policy was very strict and inflexible particularly in current circumstances where students may be unable to comply given Covid 19. AT acknowledged that this was something that needed to be considered and have an agreed approach for exceptional circumstances. The Committee was content to recommend the policy to the Corporation for approval pending clarity on refunds.</p> <p>v. ESFA Funding Audit <i>(Policy provided in advance)</i></p> <p>This report of the ESFA Funding Audit carried out in the Autumn term was provided for information. Members noted the very small issues of non-compliance and related low-level claw back. They sought that their thanks be passed on to Lynne Graham and Carl Wright for their hard work in delivering this positive outcome.</p>	
6	<p>HUMAN RESOURCES</p> <p>i. HR Workforce Report 19/20 <i>(Paper circulated in advance)</i></p> <p>CC explained that this was her first attempt at putting together a workforce report for the Governors based on the information available. She was hoping that information recording would improve and to be able to provide a HR dashboard at some point in the near future. From the data she was presenting she said that there was nothing of particular concern, though she would be looking at diversity at all levels of the</p>	

	<p>organisation. There was a diverse workforce, but this was not reflected at the management levels. She was keen to address this through development and promotion of our staff from within the organisation. There was a high degree of declarations for disability which could show confidence in the organisation. Staff turnover was higher than the AoC benchmark, but this was often the case following a merger. It was expected now that turnover would reduce. The levels of casework were higher at Paddington and KX than at Wembley and Willesden. Sickness absence was higher than benchmark, and more support for managers was being put in place at an informal level including return to work interviews to help deal with this. There were 20 cases of long-term sickness absence.</p> <p>FA said that it was good to see a higher proportion of female employees, and he was supportive of developing staff from within for promotion.</p> <p>LH said that this was a good piece of work, though he was concerned about the level of sickness absence. He asked if the forward monitoring would be able to exclude Covid 19 so that underlying levels could continue to be monitored. Members resolved to receive this report.</p> <p>ii. HR priorities for the current year <i>(Paper provided in advance)</i></p> <p>CC started in post in January 2020. As she had now been in post 3 months, she wanted to set out her priorities going forward which were set out in this paper.</p> <p>Members welcomed her paper and thanked CC for the positive impact she had made in a short time in post. Members agreed that she had rightly identified the key aspects to tackle. NB reiterated that CC had got to grips with the role very quickly and thanked her for all her work to date in the improvements she has made to HR.</p>	
7	<p>AOB GDPR Policies <i>(Policies provided in advance)</i></p> <p>AT presented this suite of GDPR policies that would be published on the website and intranet for staff. The policies had been reviewed by IT Governance who were contracted to the college to provide GDPR advice and act as the Data Protection Officer. IT Governance had recently undertaken a gap analysis and the report was expected shortly. Online staff training was also being considered to be rolled out soon, particularly whilst staff were working online from home. Members agreed to recommend the policies to the Corporation for approval.</p>	
8	<p>Date of next meeting May TBC</p> <p>Meeting closed at 7.40pm</p>	

Minutes taken by Zoë Lawrence 26/03/2019

SIGNED:

Date:

Tony Johnston, Chair