**CORPORATION BOARD of UNITED COLLEGES GROUP**
**Minutes of the Finance and Resources Committee**
**Monday 24 March 2025, 6 pm – by Zoom**

**Members Present:** Franklin Asante, Alex Fyfe, Nadia Babar (staff governor), Ross Mackenzie (Chair), Alastair Procter, Laura Griffin, Stephen Davis.
**In attendance:** Zoë Lawrence (Director of Governance), Amanda Thorneycroft (Chief Finance Officer). Paul Bradley (Director Business Intelligence), Nadia El Atrash (HR Operational Manager).

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<tr><td>1</td><td>Welcome and apologies for absence.<br><br>RM welcomed everyone to the meeting. There were no apologies.<br>Nadia El Atrash (HR Operations Manager) joined the meeting at 7pm to support the HR agenda items with Paul Bradley.</td></tr>
<tr><td>2</td><td>Declarations of Interest in the agenda items<br>No declarations of interest were made. The staff pay award would be discussed under the budget item, though this was generic and not related to a member of staff or group of staff it was noted in respect to any conflict for the staff governor present.</td></tr>
<tr><td>3</td><td>Minutes of meeting held on 02 December 2024<br>The minutes of the meeting held on 02 December 2024 were approved as an accurate record.<br><br>Matters Arising<br>a. CWC Enterprises<br>I. Service agreement<br>It was acknowledged that the questions raised concerning this service agreement as detailed in the paper had been adequately responded to, and the committee was content to recommend this to the Corporation for approval.</td></tr>
<tr><td>4</td><td>Benchmarking Presentation<br>SD provided a short presentation which benchmarked UCG's financial expenditure and income against those of other similar London colleges. Overall, it showed that UCG had higher capital and finance costs compared to benchmark, but lower teaching costs generally as result of staff mix. AP asked if this showed that UCG was not paying teaching staff as much as other colleges. SD said that it was potentially more to do with time in post and seniority of teachers who were paid more, though this had an upside to productivity. SD thought that the income per FTE measure was of interest as it triangulated delivery hours, utilisation and class size into a single measure, though this was impacted by 1 hours' remission each week for CPD. He also highlighted issues with class size particularly in specialist provision. SD commented that UCG was not a significant outlier and that it was a useful exercise. There had been higher than benchmark spend on marketing and IT, and this was considered to be due to necessary investment and catch up from historically lower investment in these areas.<br><br>AF commented that it was useful and interesting to see the data and understand more about what was happening. She noted that several of the differences were deliberate and represented areas being worked on and she was aware of these trends. She thought that there were some positive differences and congratulated the executive for the work being done. AF queried the increase in marketing spend particularly as the 16-18 year old enrolment target had not been met. SD said that this was being looked into as well as improvements to productivity through</td></tr>
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| | automation and use of AI. Some of the increases in IT spend were former software contracts which were also being reviewed. The committee thanked SD for the helpful presentation. |
| 5 | **FINANCE**<br>*(Papers circulated in advance)*<br><br>**i. Budget Reforecast**<br>AT presented the budget reforecast. She said that there was an expected improvement on the outturn which would be in the region of £300k compared to breakeven. There were several shifts on adult income for which provisions from the prior year generally offset. Some apprenticeship income had been delayed, and lettings income would be reduced as the summer school income would not be received this year due to the Wembley Project. Payroll was carrying a positive variance of £900k which offset the variation in income. Provision had been made in the budget for the staff pay award though this was still being negotiated. The increase to exam costs, catering expenses for the breakfast club and free staff beverages were noted. RM asked about the position on the staff pay award. Negotiations were continuing and a further offer was yet to be made. AF noted that a 1% pay award increase equated to approx. £281k so there was potential for some savings in the budget if the allocation for staff pay awards was not needed in full. It was noted that agency staff costs had been reduced from £5m to £1.9m from three years ago, mostly due to prudency and controls. The need to generate cash to support the Wembley Project was noted. **The Committee resolved to recommend the budget reforecast to the Corporation for approval.**<br><br>**ii. Management Accounts (January 2025)**<br>AT said that the budget reforecast was based on the actuals from the January management accounts so several of the key areas had been covered in the previous item. However, she added that tuition fees were on track this year, and that agency costs whilst being controlled were increasing slightly at this point in the year. AF asked if the cashflow forecast included the capital expenditure on the Hair & Beauty facilities at Paddington (see later agenda item), and which version of the capital receipts from the Wembley Project were reflected in the cash flows. AT said that she was not certain of AF's first question and would look into this and report back. On the Wembley figures it was not expected that the receipts from the sale of land would be received this academic year. It was noted that the income for CWC enterprises would be impacted as there was no income from the Summer School this year. AF asked when staff costs would be reflected in CWC Enterprises expenditure. AT confirmed that this was a one-off adjustment at the end of the year. AF suggested that this be done quarterly to prevent a skewed picture, or for quarterly estimates. The Committee noted the January management accounts.<br><br>**iii. Finance Risk Register**<br>AT explained that the financial risks were largely the impact of the Wembley Project as there was a finite amount of cash until the receipt of the first sale proceeds were received. Financial support mechanisms such as bank overdrafts were no longer accessible to colleges following the ONS reclassification. Banking covenants would need to be reviewed on an annual basis at year-end. UCG's financial health would be negatively impacted by the level of borrowing. RM noted the reference to the pay negotiations for staff and the increases to employer national insurance (NI) contributions. It was currently expected that some funding would be received from DfE for NI contributions based on 16-19 allocations in September 2025 for April to July 2025, but it was not clear at this stage how much this would equate to or whether the position might alter in the CSR. No government provisions were understood to be considered for the following year. Members also discussed the pay negotiations and |

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| | AT confirmed that provisions had been made in the reforecast for these and also NI contributions.<br><br>**iv. Finance Balance Score Card**<br>In the interests of time RM focused on the 16-18 growth target which was red. AT said that this target had not been met at enrolment which would have impact on funding. Despite fresh starts in January this target remained unmet.<br><br>**v. Standing Financial Instructions**<br>AT explained that this policy had been amended to take into account the new College Financial Handbook, the addition of a specific and separate procurement policy (which had been a recommendation from a recent internal audit), and that the authorisation levels and numbers of quotes obtained had changed to allow more budget approvals to be taken at a lower level in the organisation particularly in relation to IT and Estates. AF commented that she was concerned about what appeared to be a watering down of controls. She asked if any analysis had been undertaken on the number of people and the number of transactions these changes would involve, and the level of risk associated with it. She noted that previously 2 people were needed to authorise and now there was just one. She also sought justification for the higher authorisation values. AT said that there were only 2 managers this would affect, one in IT and one in Estates and it would be mostly for the purchase of regular consumable items. She said that currently any invoice above £5k came to her for approval which she considered an unreasonable level of control, and it made more sense for some delegation. AF asked if there could be more description of the limitations for these two managers and she asked for an indication of volume. She also commented that the clause for petty cash was somewhat vague. The Committee discussed the use of the preferred supplier list and how this was used to ascertain best value. RM suggested that it would be good if the wording was amended to say that it was a requirement for 3 quotes (written or verbal) to be obtained.<br><br>SD commented that these changes to the SFIs were being made on the back of the implementation of the new finance system which provided additional controls and safeguards. Only 32 managers out of 100 were budget holders out of a total of 700 staff. The £5k level did not have the same value now as several years ago due to inflation so needed to increase. He was keen to empower staff and engender trust. He suggested that the wording be firmer making clear the obligations on staff and also revisions to the petty cash wording. The committee were supportive of cultural issues that these changes would bring about but sought that the additional controls through the new finance system and wider measures be articulated in the SFIs. It was agreed that these further changes would be made and agreed with AF and RM outside of the meeting and a revised version be presented to Corporation for approval.<br><br>**vi. Tuition Fee Policy**<br>There were minimal changes to this policy and the fee level had not changed since the prior year. **The Committee resolved to recommend this policy to the Corporation for approval.** |
| **6** | **HUMAN RESOURCES**<br>*(Papers and policies circulated in advance)*<br><br>**i. Gender Pay Gap**<br>PB presented this year's gender pay gap report which showed a reduction in the pay gap to 5.3%. When housekeeping staff directly employed at CNWL, who were predominantly |

women, were taken out this reduced further. The bonuses included were not performance related, but long service awards which were a non-discretionary entitlement. The committee welcomed the progress made and noted the report which would be published on the UCG website.

**ii. Staff Survey**

NEA presented the staff survey. The response rate had increased by 9 % to 47%. There were several areas including communications and equipment that had improved through a restructuring in marketing and also the wide consultation on staff values as part of the strategic plan development. Job security and career development had declined, but this was potentially a wider national issue and not specific to UCG. In response to this focus groups were to take place on career development and reward and recognition which would dovetail into the Investors in People work plan. The survey did not present any new issues. RM noted the distances travelled since 2021 and how this represented significant progress. He asked about the response rate as this was still quite low. NEA said that some of this was due to timing in the academic calendar and that with more reminders and encouragement she was hopeful to exceed a 50% response rate. LG commented that remaining in the C quartile did not represent the progress made and distance travelled. NEA acknowledged this and explained that consideration was being given as to whether the QDP survey was the best vehicle for UCG staff surveys. The comparative colleges were not in London and with a very different demographic. Other surveys may be better and to compare with longitudinally. SD commented that he thought UCG was at an inflection point and the next stage of improvement would need a different approach. The QDP surveys were a blunt tool and useful to a point, though focus groups were often more impactful. AP and LG offered to provide some suggestion and advice on taking this forward through their Link Governor roles.

**iii. HR Balance Score Card**

PB reported that there was not much change to this since the last time it was reviewed. In general, there was positive movement. Staff mix was improving but could change month on month. The staff survey was covered under a separate agenda item and ethnic diversity at a manager level was currently at 45%. Members noted the KPIs.

**iv. HR Risk Register**

PB talked the committee through the main risks and their mitigations which concerned recruitment to specific posts, casework, and pay negotiations. He commented that investigation training was being provided to managers. AP commented that the response to the January recruitment campaign had been somewhat mixed. NEA confirmed this and that the college did not receive the expected number of applications and in some cases candidates dropped out or secured other roles elsewhere. In response to this the Summer campaign would be starting early, and interviews would take place ahead of the closing date with good candidates to reduce the risk of loosing them to other colleges. Revisions were also being made to job board placements. ECBE candidates had been particularly difficult to secure with no response at the shortlisting stage. The Committee noted the risk register.

**v. Staff Disciplinary Policy**

PB explained that there were no changes to this policy. **The Committee had no comments and resolved to recommend it to the Corporation for approval.**

**vi. Anti-Bullying & Anti-Harassment Policy**

This policy had been reformatted to read better. It also now included provisions for the new sexual harassment duty, and detail on micro-aggressions. LG commented that the

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| | communications and roll out of the policy would be important and sought advice on what the training intentions were. PB confirmed that sexual harassment training had been rolled out to staff as part of the CPD days. AP asked for clarity on the actions in relation to commitments on risk assessments (section 3). NEA explained that this related to the training and that regular touch points would be taken with staff to assess needs in a proactive way. **The Committee resolved to recommend the policy to the Corporation for approval.**<br><br>**vii. Flexible Working Policy**<br>PB explained that this policy had been taken out of the Family Friendly Policy as it was considered to have a broader remit. The Family Friendly Policy was also being reviewed but a government decision was awaited on neonatal care so that would come to the next meeting of this committee. The Committee had no comments on this policy and **resolved to recommend it to the Corporation for approval.**<br><br>**viii. Personal Development Review Policy**<br>PB presented this policy highlighting the main changes which included clarity on the role of the PDR process, how it fitted with the UCG strategy and values, and on responsibilities of line managers and staff. RM was supportive of these changes referring to the Governor Development day in January where People was considered to be the most important strategic objective and that the PDR process was key to empowering staff and improving performance. PB acknowledged that there was still work to do on compliance, enforcement and consistency of the process. LG suggested that communications were key in this respect. She also commented that the staff survey showed 84% of staff had engaged with the PDR process which was positive. PB said that there were clear linkages between individual objectives, the college plan and strategic objectives. FA suggested linking this with the survey and how to use the PDR to support job security and progression opportunities. NEA was supportive of this and that PDRs should be a mandatory expectation and there would be additional training and audit. It would also contribute to achieving Investors In People (IIP). **The Committee resolved to recommend this policy to the Corporation for approval.**<br><br>**ix. Pensions Discretions Policy**<br>AT explained that this document was a legal requirement, but no changes had been made since the previous version. UCG were only supportive of non-cost discretions. RM asked that the policy by reformatted in the UCG branding and the dates on the document be updated. **The Committee resolved to recommend this policy to the Corporation for approval.** |
| **7** | **AoB**<br><br>**Contract Approval – Design & Build for Hair and Beauty Facilities in Paddington Campus**<br>AT explained that as part of the decant for the Wembley Park Project that these facilities for Hair & Beauty were being replaced and relocated to Paddington Campus. This was being supported by match funding from the GLA. The curriculum provision was considered to be an area of growth for the college. The overall budget for the project was higher than the match funding as it was necessary to relocate other departments in Paddington as part of the changes. AF sought clarity on what was being sought for approval, whether it was the level of expenditure or the contract itself which was included in the papers. AT confirmed that as the contract value was in excess of £250k this required Corporation approval in accordance with the Standing Financial Instructions. AF was content to support this expenditure on the premise that the cash flow position as a result was understood. **The Committee resolved to recommend this contract value to the Corporation for approval.** |

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| 8 | **Date of next meeting**<br><br>**16 June 2025 6 pm**<br><br>Meeting closed at 8. 05 pm |

Minutes taken by Zoë Lawrence 26 March 2025

**SIGNED: ………………………………………….. Date:**

**Ross Mackenzie, Chair**

**ACTIONS**

| Ref | Action | Owner | Status |
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| 05ii | To confirm if the capital expenditure on the hair and beauty contract for Paddington campus had been included in the cash flows in the January management accounts. | AT | **Complete** |
| 05ii | Staff cost adjustments to be made to CWC Enterprises on a quarterly basis rather than a one-off adjustment at the end of the year. | AT | **On agenda included in March management accounts** |
| 05v | For additional controls through the new finance system and wider measures to be articulated in the SFIs. These further changes would be made and agreed with AF and RM outside of the meeting and a revised version be presented to Corporation for approval. | AT | **On agenda June meeting** |
| 06ix | The Pensions Discretions Policy to be branded for UCG in the policy format and dates corrected. | AT | **Complete** |