

**CORPORATION BOARD of UNITED COLLEGES GROUP**  
**Minutes of the Finance and General Purposes Committee**  
**Wednesday 7 October 2020, 5.30 pm – by Zoom**

**Members Present:** Franklin Asante (Chair), Nick Bell, Alex Fyfe, Lee Horsley, Tony Johnston, Ross Mackenzie, Laura Griffin (HR)\*

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

\*relevant agenda items only

<b>1</b>	<p><b>Welcome and apologies for absence.</b> There were no apologies. 100% attendance.</p>
<b>2</b>	<p><b>Declarations of Interest in the agenda items</b> No declarations of interest were made.</p>
<b>3</b>	<p><b>Minutes of meeting held on 1 July 2020</b> The minutes of the Committee held on 1 July 2020 were approved as an accurate record and would be signed by the Chair.</p> <p><b>Matters Arising</b> There were two items under matters arising that were outstanding. The first of these related to a review of tuition fees to reduce the loss incurred through non-payment. AT reported that this issue was ongoing, and that non-payment was at risk of increasing this year due to the online enrolment process which did not allow for payments to be made at the point of enrolment. A process was now underway to collect payments from students. AT also informed members that an internal audit of tuition fees was to take place in December 2020.</p> <p>The second item concerned the conversion rate of pre-applications to the college to enrolment and the proportion of enrolments where the student was not previously known to the college (walk-ins). CC sets out these figures which would be circulated to members after the meeting. The conversion rate was 34% which was a higher level than the previous year.</p>
<b>4</b>	<p><b>Terms of Reference</b> ZL had provided a revised version of the ToR for comment. AF and RM suggested a few amendments which would be included. Pending those changes the Committee was content to recommend the ToR to the Corporation for approval.</p>
<b>5</b>	<p><b>STRATEGIC ITEMS</b></p> <p><b>i. HR/ Organisational Development Strategy</b> <i>(Paper circulated in advance)</i> CC set out her facilitating strategy including how it aligned and supported other strategies and business areas. She had linked the aims back to the Investors in People standards, and was anticipative that this accreditation could be achieved in the future. She felt that it was important to get the right people appointed in the HR Team, and to develop the KPIs in consultation with the end users and SLT. It would be necessary to train up the HR team and provide training to managers to bring about a higher performing culture. She would bring back to the next meeting a three year operational plan setting out what success would look like over that time frame.</p>

RM welcomed the excellent paper and suggested how career progression, and promotion within the organisation could be used as a way of recognising and rewarding good performance.

TJ said that the paper was comprehensive and high on ambition, and asked when the HR KPIs would be in place, and if they would also be available for the December meeting. CC said that this was possible. TJ asked that a measure be included in the KPIs on the time to fill vacancies. Delays in this area had increased agency costs and reduced the quality of provision in the past. CC said that she was bringing in service level agreements from advertising a post to on-boarding. A new appointment to the HR team was being made to focus primarily on recruitment, with a microsite to be set up with support from marketing.

LG also welcomed the comprehensive document. She felt that it was important for staff to feel positive about their work, and for this to happen ownership of this strategy within the staff community was needed. It was important to understand the culture and how it feels to work at UCG. CC agreed that it was important for staff to feel that they belonged to the UCG community and that the strategy was not imposed. She hoped that the work being taken forward on values and behaviours working closely with delivery teams would enable this. The sense of community was already in place, but it would be important to capitalise on this. She was conscious that the newer SLT had increased the pace of change and needed to secure the confidence of the workforce.

FA was keen for inclusion to feature highly in the strategy.

Members approved the HR/OD Strategy and looked forward to receiving the detailed plans and KPIs at the next meeting in December.

## **ii. Risk Registers**

### **HR Risk Register**

CC explained the key HR risks to the Committee. It was noted that none had increased in risk rating since the previous meeting.

LG commented that research in her workplace had shown that support to staff during the first six months in post was key to retaining staff, and reducing the levels and costs of re-recruitment. She suggested wording the risk on employment tribunals differently, as it was a greater risk not to go to tribunal, than to risk losing one.

RM suggested that it would be useful to understand the issues that were being taken to tribunal, whether these were staff conduct, grievance or disciplinary matters, or in regard to discrimination against protected characteristics. It would be a significant risk to the organisation should it be unable to manage issues of discrimination. LG agreed with RM to split out the tribunal risk into conduct and discrimination cases.

TJ also suggested that it may be helpful to include a risk on union action, given that FE was a highly unionised sector. CC agreed to review the risk register in light of these comments.

### **Finance Risk Register**

AT set out the financial risks. There had been little movement since the previous meeting, and she sought to remove the risk on cash in hand. She was mindful in the preparation of the risk register that the commercial strategy, which was approved at the previous meeting of the Corporation, may have financial risk impacts. She also noted that the financial controls as a result of remote working due to C19 and new budget managers in post had

	<p>been a potential fraud risk, but a recent fraud internal audit had not identified any issues. Tuition fees collection risk had increased (as discussed under matters arising). NB thought that this may partially resolve itself in future years as it was likely that some adult level 3 programmes would become fully funded, and tuition fees would form a smaller proportion of income.</p> <p>RM challenged whether the residual risk ratings were overly conservative and did not fully take into account the controls in place. AT explained that she had rated the risks in line with definitions in the risk management policy.</p> <p><b>iii. KPIs</b></p> <p>AT presented the KPI outcomes for the previous year. TJ asked for this year's KPIs by the next meeting of the Committee. This was agreed. AF asked if the definitions for income were consistent with those used by the ESFA. AT confirmed that this was the case. AF also asked if it was possible to track the expenditure of income from the sale of Queen's Park. This was agreed, but that it would not become a KPI.</p>
6	<p><b>FINANCE</b></p> <p><b>i. End of Year Outturn</b> <i>(Paper circulated in advance)</i></p> <p>These papers had also been included on the Corporation agenda on 23 September. AT highlighted the £2.6m capitalised cost from the Wembley Park project and that a decision would need to be taken at some point before the accounts were finalised, on whether this amount was written off or carried forward on the balance sheet. The auditors would also have a view. Members agreed that it was too early currently to decide, as the future of the project was still uncertain. Further consideration would be given in due course. AT explained that it had always been the College's practice to capitalise development project costs, including the rebuild at Paddington Green. For the Wembley and Willesden Project there was a budget of £106m which would include any related professional fees. This practice protects against use of cash resource. This position would not be challenged by auditors unless there was not a project to which the expenditure related. It would also not impact on the banking covenants as it was not a cash item.</p> <p>AF asked if the costs listed in response to the coronavirus pandemic were included in the income and expenditure or were in addition. AT confirmed that they were included. AF asked if any further attempts had been made to recover any of the expenditure from government. NB explained that this was being addressed on behalf of FE through the AoC, but currently without success.</p> <p>NB updated the Committee on the position on the GLA grant for the Wembley &amp; Willesden Project, in particular that the GLA would like the college to sign the agreement for the grant to prevent the risk of the funding being recalled. They were content for the college to do this without there being in place a development partner at this stage. The funding could be held for up to 12 months, but the agreement would need to be signed before the end of December 2020. NB would also be discussing this point at the Property Committee the following week, and would be sharing legal advice with that committee. Members noted this update.</p> <p><b>ii. Enrolment and Funding</b> <i>(Paper provided in advance)</i></p>

	<p>AT presented the closing position on enrolment and income for 2019/20. For 2020/21 16-18 provision the funded target had been reached, but not the stretch target, and margins for attrition would be tight. However, students were continuing to be enrolled. Adult enrolment was in line with target. It was recognised that coronavirus would have an impact on apprenticeship achievement rates as there were challenges with end point assessments. This issue was sector-wide. HE numbers were down overall too. This was thought to be a result of grade inflation from the CAG in the Summer exams that more students had been able to access HE at universities.</p> <p><b>iii. Capital Budget</b> <i>(Document circulated in advance)</i></p> <p>AT set out the detailed proposals for the £1.9m funding grant that had been provided in response to C19. This could only be spent on areas of estate below an A rating, and needed to be match funded by 25% from the college. It needed to be spent by the end of March 2021. The Refit Project agreed at the Corporation in July 2020 would be included, which would enable that to proceed without a loan facility, and still generate the savings from the lower energy use. Members approved the proposals.</p> <p><b>iv. Financial Review – Cockpit Theatre</b></p> <p>AT presented this paper which set out the financial losses the theatre had made in the past three years, and the impact of coronavirus. It was noted that the theatre contributed to the college’s community engagement strategy, and was a valued asset. NB reported that there would be a strategic review of the Cockpit over the next few months that would report back in January. This would take into account the redevelopment of the Church Street area, potential for development with the surrounding buildings, the value of the land, opportunities for it to be managed through a trust and how it may recover to break even. The theatre was the only purpose built theatre-in-the-round in London with a capacity for 200 people. Members were encouraged to visit it.</p> <p>AF congratulated Dave Wybrow for his entrepreneurialism and work to continue the business post lockdown in difficult circumstances. She noted that the losses had grown. Before the redevelopment of the Paddington Green campus the theatre had been used as a teaching space. The inclusion now of a theatre at the Paddington Green site has meant that it is seldom used in this way. She welcomed the strategic review which she hoped would assess the justification to continue to bear the sustained losses.</p> <p>TJ was also supportive of the strategic review and thought that £250k was not an insignificant loss, especially when considering alternative priorities for this resource. He was keen for the UCG brand to be included at Cockpit, to be able to benefit from the reputational associations. He thought that the Cockpit was too distant and disconnected from the college.</p> <p>Members noted the paper and looked forward to receiving the Strategic Review report in January.</p>
7	<p><b>AOB</b></p> <p><b>I. IT Strategy Update</b> <i>(Paper provided in advance)</i></p> <p>PB set out the key points of his paper and highlighted the main areas of progress which had been completed since it was last discussed at this Committee in May. The online enrolment process had been considered a technical success and feedback from students was that this was the</p>

	<p>preferred method. There were some lessons to be learnt in respect of tuition fees, and some logistical planning for telephone follow up. These and other improvements would be put in place for the following year. Online enrolment was expected to continue. A return to face to face enrolment was not anticipated. PB also referred to the provision of devices for students to be able to work remotely. More work was being progressed on MIS and business intelligence.</p> <p>Members welcomed and noted the update. TJ asked how confident the College was in protecting its IT systems from cyber security and ransom ware attacks as these would create a significant disruption to business. PB explained that a cyber security expert was soon to be appointed. The College uses the JISC network JANET which was considered to be secure, however it was noted as a serious point in a rapidly changing environment. AT commented that there was an internal audit planned on cyber security which the Audit Committee had included in the audit plan for 2020/21 .</p>
<b>8</b>	<p><b>Date of next meeting</b>  <b>2 December 2020 (joint meeting with Audit Committee)</b></p> <p>Meeting closed at 7.45pm</p>

Minutes taken by Zoë Lawrence 08/10/2020

**SIGNED:** ..... **Date:**

**Franklin Asante, Chair**

<b>Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status</b>
<b>3</b>	CC to provide enrolment conversion figures referred to at the meeting for circulation to the Committee	CC	<b>Complete</b>
<b>4</b>	To revised the ToR in line with comments made for Corporation approval	ZL	<b>Complete</b>
<b>5i</b>	CC to present a 3 year operational HR plan and KPIs to the next meeting of the Committee in December	CC	<b>On agenda</b>
<b>6iv</b>	To undertake a strategic review of the Cockpit Theatre and bring the report back to the appropriate committee for consideration. [this may fall under the Property Committee going forwards, but financial elements would need to be considered by F&GP]	NB	