CORPORATION BOARD of UNITED COLLEGES GROUP
Minutes of the Finance and Resources Committee
Wednesday 30 March 2022, 6 pm – by Zoom

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

1	**Welcome and apologies for absence.** Apologies had been received from Lee Horsley, Ross Mackenzie and Laura Griffin. Laura had provided some questions in advance of the meeting on the HR policies which would be fed into discussions.
2	**Declarations of Interest in the agenda items** No declarations of interest were made.
3	**Minutes of meeting held on 1 December 2021** The relevant sections of the minutes of the joint meeting with Audit Committee held on 1 December 2021 were approved as an accurate record. **Matters Arising** There were no matters arising.
4	**HR Items** *(Papers and policies circulated in advance)* **I. Internal Communications Strategy** This strategy was being developed in response to the consistently low feedback on internal communications from the staff survey and staff engagement activities. The research report from Halogen included in the paper represented staff views from a survey and several focus groups. Within the research there was acknowledgment of the efforts now being put into internal communications including the coffee mornings with the CEO, SLT roadshows and the CEO's blog. Overall, staff wanted more visibility of leadership; to have a schedule when communications were expected to be issued; and the empowerment of managers to be able to respond to staff feedback. The use of sharepoint and the staff intranet were proving to be beneficial. The next steps were to prepare a draft response to the research and to communicate this to staff. TJ welcomed the report and was pleased to see that progress was being made. However, he was disappointed in some aspects of the Halogen report and thought the recommendations were limited. He commented that the increase in news items that staff wanted to see was dependent on a content driven approach and having the mechanisms in place for that. He also suggested that the staff cohort was not a single stakeholder group and that it might be helpful to segment it further to be able to target communications better. This may include alternative social media channels or MS Teams. He thought the evidence in the report was helpful, but more could have been included on how to create change. CC said that the commission was for Halogen to complete the research at this stage and the comments he raised would be addressed in the next phase of the work. Halogen were meeting with the key staff groups and it was hoped that this would create content going forward. **Members welcomed the report and looked forward to an update on the next steps.**

II. Gender Pay Gap Report

CC thanked the Finance Department for collating the information for this report. The gender pay gap had increased by approx 3% since the previous year as a result of a higher proportion of women in lower paid roles. CC also informed the committee that an equal pay audit was starting which would help inform this going forward. AF asked what the expected outcomes of the equal pay audit were given that in education many roles were on fixed grades and spine points which may mean that there was more equality than in other sectors. CC explained that it was a good exercise to do following a merger and the harmonisation of roles to provide reassurance of fairness. It would also support the job evaluation scheme which was currently a blunt instrument and there being difficulties in consistent benchmarking of roles. TJ asked if the 7% gap for UCG was consistent with the wider FE sector and colleges in London. CC was not sure of this and said she would check and report back. FA asked if there was scope to widen this into an ethnicity pay gap report. CC committed to exploring whether this could be done as the project was still at the scoping stages so there was potentially an opportunity to do so.

III. HR Policies

(draft policies circulated in advance)

a. **Staff sickness absence Policy**
b. **Disciplinary Policy**
c. **Grievance Policy**

CC set out the main changes to the above policies as set out in her papers. LG had provided some questions ahead of the meeting which CC addressed. She explained that the policies were similar to those in other FE colleges though there may be some slight differences. The policies were for staff other than SPHs. She thought the suggestion of a simplified version of the policies to make them more accessible to staff was a good idea and would plan to create these. The supporting training would involve workshops led by HR with managers. The sickness absence policy was expected to create more consistency in the way sickness absence was managed. A response regarding the disciplinary and grievance policies was not expected, though managers through the training were being encouraged to tackle issues quickly as they arose. TJ asked if the return to work meetings following a sickness absence were being monitored to ensure that they were taking place. CC confirmed this and that it was part of the training. Reports on RTW and probation meetings were being made to the SLT to monitor compliance. TJ asked if the sickness absence policy included compassionate leave. CC said that that was included in the family friendly policies which had been reviewed at a previous meeting. AF asked of the independence of the appeal panel and where they would be drawn from. CC said that it would depend on what the appeal case was for. If it was considering a dismissal that would involve the CEO for example. Only staff at SMT or higher were authorised to dismiss a member of staff. It was confirmed that the process no longer involved governors which was the general trend in the sector. FA asked where the policies would be published to ensure staff access to them. CC said that there was a dedicated space on the intranet for policies. The Committee noted that the disciplinary and grievance polices were still in consultation with the recognised trade unions. **Pending feedback from the unions the committee resolved to recommend the policies to the Corporation for approval.**

	IV. HR Risk Register CC set out the current main HR risks from her paper. The main risk was the ability to recruit to niche roles which was an issue for the FE sector as a whole with over 6000 vacancies in FE in England. UCG had responded to this through initiatives to retain staff and to grow and promote talent from within the organisation. The increased engagement with staff and the work on EDI was supporting this. The Covid pandemic as a risk factor was decreasing and was likely to be closed out. TJ asked if the cost of living increases and the impact this was likely to have on wage demands and the employment market needed to be raised as a risk. CC said she would consider this. Pay negotiations were yet to start, and some key posts were starting to be filled so she was currently feeling more optimistic. SD commented that London was a less attractive option to new entrant teachers which was an issue. Agency costs were proving to be expensive. Efforts were being made to become an employer of choice. **Members noted the risk register.**
5	**Finance Items** *(Papers and policies circulated in advance)* **i. Budget Reforecast** AT said that the reforecast being presented was based on the January management accounts and six months of actuals. The £2.1m of growth money in the original budget which would now not be received had been backed out. Alternative income had compensated for some of this. It was expected that UCG would deliver against ESFA and GLA allocations or exceed them. Tolerance levels would certainly be met to prevent claw back. There had not been enough enrolments in regard to the National Skills Fund allocation so some claw back was expected. Overall the income was in a good position and not significantly different when all changes had been made from the original. Payroll showed a positive variance to date but this level was not expected to be retained due to the increase in agency costs where there was an increasing reliance. Utility costs were currently fixed so the increases in these would not hit the budget until next year. A 1% staff pay rise was factored in. AT sought that it be recognised how important this overall budget position was in light of the stability needed for the Wembley Park project. AF asked what assumptions had been made regarding interest rates. AT said that it had not been necessary to draw on the RCF during March and April which were the low cash points of the year so interest had not been incurred, however there would be a non-utilisation fee. It was unlikely that the RCF would be used this academic year. There was a general sense from the committee that more should be done in terms of staff pay increases to reflect the rising cost of living. This would also help retain staff in the sector. AT said negotiations were yet to take place, but it was not expected that the AoC would recommend more than 1%. It may be that the following year this may increase to 2.5%. SD said that he was looking to negotiate a three year deal for teachers linked to growth. Options to award a higher percentage to lower paid staff was discussed. Members acknowledged the achievement in being able to take out £2.1m from the budget and still remain at a similar overall position. TJ noted that the tuition fees continued to present issues in the budget and it was continually being revised downwards. The issues with collection of fees and funding rules which changed each year were discussed. **The Committee resolved to recommend the budget reforecast to the Corporation for approval.**

ii. **Management Accounts (January)**
AF asked about the payments being made to students to incentivise attendance. This applied to all 16-19 year old students who were not eligible for the bursary. £15 was paid in vouchers to students who achieved 85% attendance each term. It was a total cost to the college of approximately £100k. The increase in catering costs was due to grossing up. The catering contract was nil-cost. **Members noted the management accounts.**

iii. **Finance Risk Register**
AT highlighted the main areas of risk which included sources of income given growth targets were not achieved, cash flow in relation to the Wembley Park project and meeting funding allocations. AF asked about the detailed timing of cash flows in relation to the availability of the RCF in the event of delays to planning consent at Wembley. This would be considered as necessary in due course once the sale agreement had been approved. **Members noted the risk register.**

iv. **Standing Financial Instructions**
AT set out the main changes to the policy which included an authorisation level for the Director for People and Communications, an increase in the level where only three verbal quotes would be needed and an annex on EDI requirements for suppliers and procurement. AF asked questions about the level of risk that UCG would be exposed to in regard to increasing the level where only verbal quotes would be needed. TJ expressed concern that the level was quite high with no requirement for an audit trail that would demonstrate value for money and whether adequate controls were in place. SD said that any transaction above £5k would still need to be signed off by a member of the SLT so that may provide some assurance. It was agreed to revert to the former level in the policy for Corporation approval the following week until some analysis on the level of risk could be completed. **The Committee resolved to recommend the Standing Financial Instructions to the Corporation for approval on that basis. The EDI appendix on procurement was welcomed as a positive move in support of EDI efforts across the college.**

v. **Tuition Fees Policy**
This policy related to adults and HE provision. It had been updated by the MIS team and reflected the current funding rules, curriculum requirements and financial processes. The main changes in the policy related to the eligibility criteria to pay by instalments which no longer applied to short courses, and that the student would be liable for payments should the employer not pay. AT said that it was probable that discretionary exceptions would be made if considered appropriate. There were no changes to the HE section. The schedule of HE courses and fees were to be published on the website by May. **Members resolved to recommend this policy to the Corporation for approval.**

vi. **Pensions Statement**
AT explained that this pensions statement was for support staff who were part of the LGPS scheme through the London Pension Fund Authority. It was a legal requirement to publish this statement which set out employer discretions. Generally, UCG were supportive of nil-cost discretions. AF noticed a typo for correction. TJ asked if this was in line with other colleges and whether it may influence retention and recruitment of staff. CC did not think that it would have any impact and it was important to be mindful of any unintentional age related equality issues. **Members resolved to recommend the statement to the Corporation for approval.**

6.	**AoB** No items were raised.
	Date of next meeting **22 June 2022** Meeting closed at 7.55 pm

Minutes taken by Zoë Lawrence 31/03/2022

SIGNED: ………………………………………….. Date:

Franklin Asante, Chair

Ref	Action	Owner	Status
4ii	To check how UCG's gender pay gap compared to other colleges in London and the FE sector.	CC	
4ii	To explore the option of pursuing an ethnicity pay gap analysis	CC	