

CORPORATION BOARD of UNITED COLLEGES GROUP
Wednesday 29 March 2023, 6 pm – Paddington Campus

Members Present: Stephen Davis (CEO), Alex Fyfe, Tony Johnston (Chair), Derrick Betts, Colin Smith, Max Maalimey, Nadia Babar, Elom Tay, Franklin Asante, Grainne Brankin, Grethe Woodward, Alastair Procter, Laura Griffin, Amish Nathwani, Angela Drisdale Gordon.

In attendance: Zoë Lawrence, Claire Collins, Amanda Thorneycroft, James Wilson, Angela Jackson.

1	<p>PROCEDURAL</p> <p>Welcome and apologies for absence</p> <p>Apologies had been received from Liz Jones, Jessie Turnbull, Desmond Bishop and Patricia Aquino.</p>
2	<p>Declarations of Interest in the agenda items</p> <p>AP, LG, CS, DB, and DBish had a conflict of interests in items 6i and 6ii. The chair sought the need for these members to leave the room as necessary for these items.</p>
3	<p>I. Approval of Corporation minutes <i>(Draft minutes were circulated in advance)</i> The draft minutes of meeting held on 14 December 2022 were approved as an accurate record.</p> <p>II. Matters arising</p> <p>There were no matters arising as such, but TJ asked AT to provide an update on the position on the approval and submission of the financial statements to the ESFA which was discussed at the December meeting. AT explained that these had been delayed due to the restrictions on commercial borrowing as a result of the ONS reclassification of colleges as public sector organisations. It had not been possible for the external auditors to sign off the financial statements until the position on borrowing was clear to ensure that the organisation continued as a going concern. AT reported that the DfE had provided permission for the use of the RCF until the end of July 2023 at which point this facility would be replaced by a term loan from the DfE. The confirmation of this allowed the financial statements to be signed and submitted on 28 February 2023. AT explained that the DfE term loan was of benefit to the college in that no security was required on it, the DfE would meet their own legal costs and it would be cheaper than a commercial loan. Members welcomed this update.</p> <p>III. Governor appointments</p> <p>TJ brought forward items 6i and 6ii to this section of the agenda. The appointments to be ratified were:</p> <ul style="list-style-type: none"> • For Alastair Procter to become a full independent member from a currently co-opted member • The second term of office of four years for Desmond Bishop, Laura Griffiths, Derrick Betts and Colin Smith • For Stephen Grainge and Andrew Dowsett as new co-opted members to the Audit Committee <p>The appointments were ratified by the Corporation.</p> <p>IV. Request to raise Grey Box items</p>

	<p>TJ asked members if they would like to raise any items from the Grey Box which were provided for information. GB asked to raise the gender pay gap report. GB challenged one of the presentations of the data excluding the 2 highest paid male members of staff and lower paid housekeepers at Willesden who were mostly female. CC said that the latter were paid the London living wage. SD reported an oversight in the remuneration of the housekeepers that was currently being addressed that may improve this position. The gender pay gap for UCG was within the range of other similar colleges. ADG asked if an equality pay gap report was being prepared. This was confirmed and would be presented to the next F&R Committee.</p>
<p>4</p>	<p>STRATEGIC</p> <p>I. CEO Report / Balance Score Card <i>(Paper circulated in advance)</i></p> <p>SD explained how this paper aligned to the paper on SPH objectives that was reviewed by the GSR Committee. He was pleased to report that progress was being made across the four strategic areas but not as rapidly as originally anticipated. There was a reasonable narrative in explanation. Time had been spent on planning with the intention to improve execution, and there was a keen sense to have transparency and confidence in the progress being made. He assured the Corporation that the approach was a ‘whole college’ one working with all SLT members. He referred to the intention to be able to self-assess as good by the end of the summer term, but there continued to be a mixed picture for 16–18-year-olds and areas where more improvement was needed. Despite predicted achievement being above that of the prior year he did not think that sufficient progress had been made at this stage for an Ofsted good. Staff recruitment remained an issue and more work was needed for it to be resolved.</p> <p>DB asked how much of the gap was within the college’s control. SD said that this was a good question as he was also looking at the curriculum offer and possibly reducing provision in areas where there were recruitment issues for lecturers, or where there was an insufficient margin to make the course viable. In some subjects, such as plumbing, there was a limit on class size due to the facilities and space needed for teaching and learning. He also talked about the cultural issues and the need to instil responsibility and accountability at every level of the organisations linking this with performance development, management and the PDR process. Further discussion on this would be included on the agenda for the next GSR Committee.</p> <p>AN expressed interest in the business model analysis for the curriculum and asked if this was completed what the possible outcome would look like. SD said that currently the processes were not in place to do this with any degree of granularity, but it was hoped that the MIS migration would assist with this. It was also difficult to calculate unit costs due to the different funding sources. AN said that he was keener on understanding it from a student experience rather than cost perspective. SD said that the approach to reduce provision due to a decline in student experience and outcomes had been taken previously on some A levels.</p> <p>SD highlighted the career cluster reports and stakeholder engagement in his paper including some of the examples of good work and awards that had been received by the college. TJ welcomed the examples and asked how these were being communicated within our current and future student cohorts. SD said that this was underdeveloped and not consistent across the career clusters. He recognised the value of this in terms of external recognition and how the organisation was portrayed and there was more to do to promote this.</p>

	<p>II. College Operational Plan <i>(Paper circulated in advance)</i></p> <p>SD explained how this was an extension of the BSC and also integrated the risks from the strategic risk register. The importance of the MIS migration was stressed and how this would then provide a single set of reliable data. Interdependencies were being identified, for example how recruitment and attracting the right staff positively impacted student attendance and attainment.</p> <p>III. Strategic Risk Register <i>(Strategic risks circulated in advance)</i></p> <p>SD explained that this version of the strategic risk register was the same that was provided to the Audit Committee earlier in March. Since that time and following feedback from other committees, staff recruitment has been included on the PCG and SEO risk registers which has fed through to the strategic risk register. Categories of risk with differentiated risk tolerance have been incorporated into the capital projects risk register and short and longer-term risks in relation to profit and loss accounts and balance sheet respectively are being considered for the financial risk register. Members noted these updates.</p> <p>IV. Accountability Agreement <i>(Paper circulated in advance)</i></p> <p>AJ briefed the Corporation on the forthcoming Accountability Framework and the requirement for colleges to submit an Accountability Agreement by the end of July 2023. The Accountability Agreement would set out the outcome targets for the next academic year and form an annual process. It would not be amended by the DfE or have any direct bearing on funding. The draft agreement would be prepared for the end of May with the final version to be approved by the Corporation at the July meeting. It would need to take into account the subregional skills need analysis. AF asked if this would mean that UCG would be unable to consolidate provision on a single campus. AJ said that it would not. TJ asked how much this would relate to the Strategic Conversation with the DfE. She thought that it would definitely form part of it, but more likely in future years as the final version would not be ready in time for this year's meeting. SD commented that his observations of LSIPs varied across London and there was an inconsistent approach which may be detrimental to equality and not focused on prior attainment of learners. Members noted the paper.</p> <p>V. EDI Update and Action Plan <i>(Paper circulated in advance)</i></p> <p>CC provided highlights of her paper which included the appointment of a permanent EDI co-ordinator, the Black Leadership Group training sessions attended by governors which took place in December and January, the pledge to be an anti-racist college, and the Educate and Celebrate award. Members noted the paper and action plan and welcomed the progress being made.</p>
5	<p>COMMITTEE MATTERS</p> <p>Teaching Learning and Skills Committee <i>(Papers circulated in advance)</i></p> <p>I. Predicted Achievement</p> <p>JW set out the predicted achievement position which overall showed an increase on the previous year though was below target. He highlighted the rigorous approach that had been taken on reaching these predictions and the interventions being taken forward. TJ asked about the GCSE mock exam attendance and exam results since the time of the TLS meeting on</p>

	<p>15 March. JW said that there was an increase in exam attendance at Willesden, but the position at Paddington was static. The in-year exams showed positive progress and confirmed the predictions at this stage. For business the attendance at the exams was higher than class attendance which showed students were still engaged.</p> <p>MM noted the difference between CNWL and CWC on exam attendance and asked why this was the case? It was thought that this may be due to a higher number of adults at CNWL, however, comparisons showed that the student cohorts were largely similar. Issues such as a sense of value, and the disruption from staff churn were also considered. AJ commented that following a period of absence students feared that they had missed too much and would be unable to catch up. With support from the tuition fund intervention was being provided in small groups to help students. GB said that she would welcome sight of the return on investment on the small group tutoring. MM said that it worked well and that students were usually able to achieve with tuition fund support. He also felt that stability of staff and minimising staff churn was also crucial. He noted that some students carried the mind-set from a poor experience at school and it was helpful to see if this could be changed. SD also highlighted the complex needs and social circumstances of many learners, the upskilling of teachers to deal with this, and ability to differentiate teaching to make learning accessible.</p> <p>II. Link Governor Feedback</p> <p>Curriculum link governors for Supported learning, Lifelong Learning, ECBE, A levels, Creative Industries, and English and Maths provided a short verbal report of their interactions with their respective career clusters. This included lesson observations, focus group meetings with students and staff, conversations with the AP, tours of curriculum areas, and discussions on safeguarding. Overall, members said that the link governor role was insightful and useful. ADG commented how the key themes of attendance, attainment and staffing which had been discussed in detail at corporation level were consistent within the curriculum areas. She also noted that good practice was being shared to provide a consistent approach. GW noted the value of GFE for ESOL students, and without it they would be unable to progress their careers as an appropriate level of English usage was needed. As safeguarding governor she was encouraged that students knew what to do and how to raise concerns.</p> <p>III. Freedom of Speech Policy</p> <p>This was a new essential policy which had been reviewed and was being recommended to the Corporation by the TLS Committee. The Corporation resolved to approve the Freedom of Speech Policy.</p>
6	<p>Finance & Resources Committee</p> <p>I. Budget Reforecast <i>(Paper circulated in advance)</i></p> <p>AT highlighted to the Committee the main changes in the budget reforecast as set out in her paper. These included the changes to income which showed an overall increase, and the overheads position. The main issue concerned £1.7m overspend on payroll which was being addressed through a recruitment freeze and an assessment of teacher hours. TJ asked about the progress being made following the F&R Committee meeting on 20 March and whether there was a clearer understanding of the reasons for the staff cost overspend. AT explained that analysis work was ongoing to identify trends, but it was anticipated that the issue related to paying for more hours than planned for. AF asked how much of the increase was a result of the pay increases which had not been budgeted for. AT said that none of it was a result of that as much of it had been offset from savings on pension contributions as a result of LGPS having a charge on the Paddington Campus. SD pointed out that the current reforecast was</p>

	<p>based on the current run rate which may diminish next term. AF asked about the difference in cost between agency and permanent staff. AT said that usually HPL staff cost less, but this was not necessarily the case for agency staff as VAT was charged. It was thought that this was a newer issued based on staff demanding more hours than was needed, a volume rather than rate issue. TJ noted the deficit position of the reforecast and asked if it was the expectation that UCG would have a deficit budget the following year. AT said that this absolutely was not the intention at all. The aim would always be to have a balanced budget, and this would be more important in respect to stakeholders going forward regarding the Wembley project to be able to demonstrate confidence in the financial standing of the college. The F&R Committee had reviewed the budget reforecast and were recommending it to the Corporation for approval. The Corporation resolved to approve the budget reforecast.</p> <p>II. Waiver Letter <i>(Letter circulated in advance)</i></p> <p>AT explained that this waiver letter concerned a breach of the banking covenants dating back to July 2020. It refers to negative reserves on the balance sheet due to the valuation of pension liabilities which was a matter outside the college’s control. The letter amends the loan facility documentation to exclude the impact of these reserves and is in the college’s favour. The F&R Committee had considered this letter and were recommending it to the Corporation for approval. The Corporation resolved to approve the letter for signing.</p> <p><i>(Policies circulated in advance)</i></p> <p>III. Standing Financial Instructions (SFI)</p> <p>AT explained that the SFI had been updated to reflect the requirements of Managing Public Money which now applied to the FE sector as a result of the ONS reclassification of colleges. This related mostly to loans and novel, contentious or repercussive transactions. This did not affect the authorisation levels included in the document. The F&R Committee had reviewed the policy and were recommending it to the Corporation for approval. The Corporation resolved to approve the policy.</p> <p>IV. Tuition Fees Policy</p> <p>AT presented this policy which included tuition fees for FE and HE students. The policy had been updated to reflect any changes in funding requirements and the HE fee levels had been increased, otherwise it was the same as the previous year. The F&R Committee had reviewed the policy and were recommending it to the Corporation for approval. The Corporation resolved to approve the policy.</p> <p>V. Bullying and Harassment Policy</p> <p>CC explained that this policy had now been in place for two years and was due for review. It had been used but usually in response to performance management issues which were being worked through. There were no significant changes to the policy. The F&R Committee had reviewed this policy and were recommending it to the Corporation for approval. The Corporation resolved to approve the policy.</p>
7	<p>Audit Committee <i>(Policies circulated in advance)</i></p> <p>I. Risk Management Policy and Procedures</p> <p>SD highlighted that in response to governor feedback the risk tolerance for the capital projects risks had been reviewed and differentiated to better reflect the project risks. Other than this</p>

	<p>there were minimal changes to the policy. The Audit Committee had reviewed it and were recommending it to the Corporation for approval. The Corporation resolved to approve the Risk Management policy and procedures.</p> <p>II. Health and Safety Policy AT presented this policy. There had been minimal changes to the policy which were mostly updates to nomenclature. The Audit Committee had reviewed the policy and were recommending it to the Corporation for approval. It had been agreed that mental health would be incorporated into the next iteration of the policy. The Corporation resolved to approve the Health and Safety Policy.</p> <p>III. Business Continuity / Disaster Recovery Policy AT said that there were no major changes to this policy other than updates to nomenclature. The business continuity plan sat beneath the policy which was up to date. TJ queried the communications provision in the policy and asked how this had been implemented. AT said that training had been undertaken, but she was not certain on the communications point and would look into it. SD said that he had some concerns about how the policy related to the strategic risk register, and sought that this be considered and brought back to a future Audit Committee meeting. This was agreed. The Corporation resolved to approve this policy in the interim until the further version is prepared.</p>
8	<p>Property & Infrastructure Committee</p> <p>Wembley Project Update SD provided a verbal update on the Wembley Project. There had been a delay to the decant starting at Willesden. This had been due in part to the issues on commercial loans as a result of the ONS reclassification which had now been resolved. The RIBA stage three tender for the decant works was progressing but was behind schedule by a few weeks. However, it was not necessary for the phase 1 decant works to be complete until January 2024 at which time the contract was anticipated to be unconditional. It was noted that the developer had not yet submitted their planning application, though this was expected between April and June. SD said that it may be in the college's interests to continue with the decant works in any case as this would improve the estate for future students. The delays may however impact the student experience as it may now not be possible for all the works to complete during the Summer break.</p> <p>Progress was being made on the removal of the telecoms mast and UCG was in meaningful negotiations with the telecoms provider. SD also updated the Corporation on the right to light asset which Quintain were looking to purchase. A fee had been agreed which would also include some title items such as access and groundworks on Olympic Way. The Box Park opposite the OOC also was unable to place tables in front of the OOC without UCG's express written permission. These transactions were being considered in regard to the new requirements for Managing Public Money as a result of the ONS reclassification with action being taken as necessary, including legal advice from Eversheds. GB asked if there had been an independent valuation of the right to light. SD confirmed this and shared the value. AT thought that the loss of light from the erecting of a high building at the rear of the OOC would not be an issue for teaching as in most cases classroom lights were on most of the time. TJ asked what the intention was for the use of the money. SD said it was likely that it would offset other costs and inflationary pressures. The overall budget for the project would not be changed as a result. SD also suggested at a future stage it would be helpful for the Corporation to approve the ring fencing of funds for the purchase price for the OOC for potential investment in Maida Vale or other property assets.</p>

	£1m capital T-level funding spent now would contribute the FFE budget in the new building as the assets would be transferred. The Corporation welcomed the update.
11	AoB The date of the next meeting 05 July 2023 The meeting closed at 8.10 pm

Minutes taken by Zoë Lawrence 30/03/2023

SIGNED: **Date:**

Tony Johnston, Chair

ACTIONS

Ref	Action	Owner	Status
7iii	Further review of the Business Continuity Policy to align with the strategic risk register to be taken to the Audit Committee.	SD	