



**UNITED COLLEGES GROUP
CORPORATION**

PART ONE – PUBLIC

Minutes of the Meeting held on Wednesday, 4 July 2018 at 6.00pm
The Boardroom at the Paddington Green Campus

Present

Tony Johnston (Chair)
Alex Fyfe (Vice Chair)
Keith Cowell
Simon Haben
Glenys Arthur
Jan Knight
Judith Williams (Vice Chair)
John Petrie
Brenda Goring Moore
Mary Elliott

Also in Attendance

Eamon McCarroll, Group Executive Director of Finance
Jackie Grubb, Principal CWC – First Meeting

Natalie Watt Interim Clerk to the Corporation (Minutes)

1. Attendance and Apologies for Absence

Jayanne Davis, Simon Neville, Umar Zouine, Afsana Begum-Mirza, Peter Child, Stephen Davis, Anna Openshaw-Lawrence

The meeting was quorate throughout.

2. Declarations of Interest.

John Petrie declared an Interest for Item 6iii only. Noted. There were no other declarations of interest other than those in the Register of Interests.

3. Health and Safety Announcements

The Clerk confirmed standard arrangements were in place and no fire drills or alarm testing was expected.

4. Chair's Announcements

The Chair drew Members attention to the following announcements:

Ian Adams - Ceases as a Governor as at 4th July 2018. The Chair expressed his appreciation on behalf of the College and the Corporation, for his contribution and networking on behalf of UCG, especially during his term as Mayor.

Judith Williams – Ceases as a Governor as at 4th July 2018. The Chair expressed his appreciation, on behalf of the College and the Corporation to Judith at the meeting for her hard work and commitment, including Chairing the Teaching, Learning and Skills Committee during the first year of merger.

Afsana Begum-Mirza – Ceases as a Governor as at 4th July 2018. The Chair expressed his appreciation on behalf of the staff and Colleague Governors for the

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positive and significant contribution that Afsana had shown during her term as a Staff Governor.

- The Chair updated the Corporation on discussions and meetings undertaken since the last Corporation meeting. Noted that this update was subject to Part two confidential minutes.

5. Minutes of the Previous Meeting & Matters Arising

- The minutes of the **Corporation meeting held on the 13th December 2017** were confirmed as a true and fair record of the meeting and were **APPROVED** and signed by the Chair of the Corporation. (It was noted that the absence of the Clerk had delayed the finalisation of these minutes. However the Chair confirmed that actions arising had been dealt with as part of normal business).
- ME confirmed that she had attended the December 2017 meeting. It was agreed that the minutes would be amended to reflect this attendance.
- The minutes of the **Special Corporation meeting held on 27th June 2018** (sent to follow) were confirmed as a true and fair record of the meeting and were **APPROVED** and signed by the Chair of the Corporation. (See Part Two)
- Matters arising relating to the Special Corporation meeting held on the 27th June 2018 were addressed under Part Two Confidential Minutes.
- It was confirmed that all other matters arising had been addressed on the agenda for the meeting.

Clerk

6. Governance

- i) Unconfirmed minutes of the Search and Governance Committee Meeting held on **4 June 2018** were **RECEIVED** for information.
- ii) Minutes of the Search and Governance Committee held on the **27 June 2018** were circulated to follow and were **RECEIVED** for information.
- iii) **Governance Update Report.**
 - The report was presented by the Interim Clerk to the Corporation who reminded Governors that the merged Board had approved 12 appointments for the transition year.
 - The expectation had been that work would be undertaken to review the terms of office and skills of the Board with a view to confirming Board membership for the start of the 2018/19 academic year.
 - Unfortunately, it had not proven possible to achieve this within the time frame.
 - There was considerable debate over how to proceed. Strenuous objections were raised by some Governors around the proposal to confirm 4-year terms of office for those Governors who had been appointed to the transition board, on the basis that some Governors had already served 8 or more years which is the stated maximum in the Articles of the college.
 - Reference was made to the Code of Good Governance and guiding Governance principles around serving a maximum of 2 terms.
 - It was noted that several Governors had already exceeded this framework and the existing Instrument and Articles currently enabled this.
 - The Clerk acknowledged the concerns expressed, however, it was noted that the Search and Governance Committee had expressed concerns that transitional arrangements were not being resolved and continuing with temporary measures was impacting on the effectiveness of the Board.

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- It was noted that new Members were being appointed for 4-year terms whilst existing experienced Members had only being appointed for 12 months.
- Governors were invited to offer alternative proposals. Discussion followed on the need for a pragmatic approach especially in light of the resignation of some experienced Governors and the need to move forward as a merged board for the new legal entity.
- Following further discussion and acknowledging the valid objections expressed and in part to also reduce the degree of uncertainty amongst Governors, it was agreed that all Governors listed would be appointed for a further 4-year term starting from 4th July 2018. **APPROVED.**
- The above approval was subject to the proviso that the Chair would undertake one-to-one discussions over the summer to seek staggered resignation dates.
- It was further agreed that the Search and Governance Committee would review these proposed resignation dates and that a schedule for succession planning and turnover of Governors would be presented to the first meeting of the Corporation in the Autumn Term.
- The Corporation received the recommendation to appoint Cllr Matthew Green to the Board. This was **APPROVED** unanimously.
- The Corporation also received the recommendation to appoint Mr Lee Horsley to the Board. This was **APPROVED** unanimously.
- The Clerk drew to Members attention the proposal for the Chair to have a one-to-one discussion with each Board Member over the summer.
- It was noted that this would cover a review of the previous year, explore any issues/concerns held and assess the optimum time for resignation dates to be submitted to achieve a staggered turnover of the Board.

Chair

Vice Chair

- The Corporation was informed that a second Vice Chair had been proposed and seconded. John Petrie was proposed as Vice Chair and his appointment was unanimously **APPROVED**.
- The Chair confirmed that Jan Knight and John Petrie would be Vice Chairs of the Corporation from the 4th July 2018 to the 31st July 2019 (or the date of summer term Corporation meeting 2019 whichever was the sooner).
- The Chair of the Corporation thanked Alex Fyfe and Judith Williams for their support and hard work during the first year of merger in the role of Vice Chairs.

Clerk

iv) GDPR Policy for Governors

- The Policy was recommended for approval by the Search and Governance Committee. The Interim Clerk to the Corporation confirmed that the changes requested had been made. It was noted that underpinning release forms would be issued during the course of the summer.

The Corporation **RESOLVED** to **APPROVE** the PRIVACY NOTICE for the Corporation (GDPR Policy).

v) Schedule of Meetings for 2018/19

- The Clerk to the Corporation confirmed that the schedule had been amended based on feedback received from the SLT. The Chair and the CEO had also

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had the opportunity to review and confirm the schedule prior to its submission to the Corporation.

The Corporation **RESOLVED** to **RECEIVE** and **APPROVE** the annual schedule for 2018/19.

7. Finance & Audit

FGP

- a) **Unconfirmed minutes of the Finance & General Purposes Committee** Meeting held on 6 June 2018 were **RECEIVED** for information.
- b) **Unconfirmed minutes of the Finance & General Purposes Committee** Meeting held on 25 June 2018 were **RECEIVED** for information.
- c) **Management Accounts April 2018** which had previously been reviewed by the FGP Committee were **RECEIVED** for information.
- d) **Staff Pay – UCU Negotiations – Subject to a Part Two Confidential Minute.**
- e) **Draft Budget for Approval**

- The Executive Director of Finance and the COO presented the report to the Corporation.
- It was noted that the report circulated reflected the budget recommended for approval by the Finance and General purposes Committee. Governors were informed that the Corporation was required to submit a Financial Plan for 2018-19 to the Education and Skills Funding Agency by 31st July 2018.
- Governors expressed concern at the cash held in the bank and advised the COO to prepare weekly cash flow forecasts to December to ensure that the flow could be managed. **COO** Noted.
- Governors queried whether the IT capex (a later agenda item) was included in the budget and this was confirmed.
- Governors urged the COO to confirm ASAP what invoices still needed to be paid and what essential property works were needed to manage the final impact on cash flow in July.
- Governors were assured that committed expenditure was now tracked. The finance team were in place and would review and assess all big-ticket items against the terms of payment.
- Governors again urged caution in estimating the cash needed noting that the purchase ordering system would not provide a complete picture.
- Governors noted that the language used at 2.3 was incorrect and needed to be amended. Agreed.
- The COO tabled two options for the Board to approve. The COO advised the Board that one plan included the sale of Queens Park and the second did not. The Chair confirmed that in light of the in-principle decision taken earlier in Part two of the meeting that the option that included the in-principle sale of Queens Park would be the only viable option to discuss. It was agreed that the inclusion of Queens Park for sale would be the focus of efforts during the meeting.
- Discussion followed on the potential breach of the covenants. The COO informed that Corporation that the breach had already occurred, although not

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officially reported as yet. The COO confirmed that she was seeking a waiver and indications were that this was not an issue.

- Governors noted that depending on financial performance there was the potential for a further breach in 2018/19 and it was agreed that this needed to be addressed.
- Discussion followed on the operational leverage in place at this time and in light of the pay negotiations and offer that UCU needed to be made aware that the College was not in a position to sustain year on year pay increases.
- The COO drew Governors' attention to the key assumptions made in the two-year Financial Plan and confirmed that these were equally applicable to the two options.
- The COO confirmed that the waiver sought was for the current year and that she had flagged the potential breach for the following year. Governors emphasised the need for this potential waiver issue to be addressed for the coming year and that Governors would expect to have this in place in advance.
- It was noted that the Bank may wish to restrict the amount of cash available depending on the terms. The COO confirmed that she was hoping to draw down as much as possible in year.
- Following further discussion, it was agreed that the Financial Plan (showing the sale of Queens Park) would be submitted to the Education and Skills Funding Agency.
- Governors noted that neither financial plan proposed took into account the CNWL property strategy and that the College was still looking at options on how to fund the £5m indicated by Bidwell's as being needed to progress the scheme in 2018/19.

COO

The Corporation **RESOLVED** to **APPROVE** the Financial Plan for 2018/19 (subject to the waivers being agreed by Barclays).

AUDIT

- f) **Unconfirmed Minutes of the Audit Committee** Meeting held on 13 June 2018 were **RECEIVED** for information.
- g) **Re-Appointment of Internal Audit Service for 2018/19**
- The Chair of the Committee confirmed that there were no issues with the performance of the Auditors and that their re-appointment was recommended by the Committee.
 - The Clerk drew Members' attention to that fact that the Internal Audit plan was out of sync. It was noted that a late start to the 2017/18 year in terms of the appointment of the Internal Audit Service meant that some work was still being delivered.
 - The COO agreed that this would be brought on track during 2018/19 so that future appointments could be considered with a fresh start at the beginning of the academic year and with input from the Committee prior to the start of the year.
 - It was noted that the Internal Audit Plan would be submitted to the Audit Committee for consideration and approval in the Autumn Term.

COO

COO

The Corporation **RESOLVED** to **APPROVE** the appointment of the internal Audit Service as recommended by the Audit Committee.

- h) **Financial Statements & Regularity Auditors Appointment for 2017/18**
- The Chair of the Audit Committee confirmed that the appointment of Buzzacotts as the Financial Statements and Regularity Auditors for 2017/18 was recommended for approval.

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The Corporation **RESOLVED** to **APPROVE** the appointment of Buzzacotts as the Financial Statement and Regularity Auditors for 2017/18.

8. ICT Capital Expenditure

- The COO presented the report seeking approval of capital expenditure for the upgrading of IT for the organisation. Governors discussed the main issues identified in the executive summary.
- Governors questioned the method of purchase in light of the strain on the cash flow for the organisation.
- Debate followed on the pros and cons of leasing over purchase and how payments could be staggered to reduce the pressure on the budget, whilst still achieving the same outcome.
- The COO confirmed that she had not discussed leasing with the companies concerned.
- Governors noted the case made for the exceptional capital expenditure at this time.
- The CEO confirmed that CNWL was in a spiral of decline and needed rapid investment.
- Governors queried whether or not the decision could be delayed pending a comparison of leasing over purchase.
- The COO advised Governors that timing as critical and without immediate approval to proceed the project would be in jeopardy.
- Following further discussion, it was agreed that approval would be given subject to further investigation of leasing over purchase.
- It was agreed that the results of this comparison would be shared with the Board and the Chair would be given delegated approval to agree the project.

COO

The Corporation **RESOLVED** to **APPROVE** the project subject to the above caveat on further information and comparison being provided of lease/purchase options.

9. Estates

- a) **Unconfirmed Minutes of the Strategy & Estates Committee** meeting held on 18 June 2018 were **RECEIVED** for information.

10. Quality Improvement

- a) **Unconfirmed minutes of the Teaching, Learning and Skills Committee** held on 20 June 2018 were **RECEIVED** for information.
- b) **Teaching and Learning Strategy**
 - Governors were informed that a robust cycle of review had been introduced and the strategy presented was an overarching document which would be underpinned by rigorous processes for operational delivery.
 - Discussion followed on the challenges of ensuring that Committee Members were sufficiently skilled to interrogate the information presented.
 - The Chair proposed that an additional Corporation meeting be held in September to consider the detail behind the strategy and to interrogate the achievement rates presented both to the Teaching, Learning Skills Committee and the Corporation.
 - Governors welcomed this proposal and it was agreed that a date in September would be held to provide this briefing and development information.

CEO

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- The Chair of the Corporation noted that the role of Chair of the Committee was now vacant following the resignation of a fellow Governor.
- It was agreed that this would be discussed during the summer with Committee Members.
- The Chair also proposed that an agenda item be included on all Corporation agendas addressing Teaching, Learning and Assessment. Agreed.

CHAIR

The Corporation **RESOLVED** to **APPROVE** the Teaching and Learning Strategy.

c) **National Achievement Rates**

- The report was **RECEIVED** by the Corporation. Governors noted the concerning information reported, it was agreed that a briefing on National Achievement rates would be provided in September as per the above minute.

CEO

10. **Performance Against Enrolment and Funding Targets**

- The Corporation noted the update provided and were informed that the event held at CNWL the previous week was considered to be successful with double the numbers attending compared to last year.

The Corporation **RESOLVED** to **RECEIVE** the report.

11. **Stakeholder**

a) **Human Resources Report**

The Corporation **RESOLVED** to **RECEIVE** the report.

b) **Learner Voice Monitoring Report**

The Corporation **RESOLVED** to **RECEIVE** the report.

c) **Feedback from Staff and Student Members – None.**

12. **Health and Safety and Risk**

The Corporation **RESOLVED** to **RECEIVE** the report.

13. **Corporation Dashboard**

The Corporation **RESOLVED** to **RECEIVE** the report.

14. **Strategic Plan**

- The CEO introduced the report and informed Governors that the targets for each area of responsibility had been discussed at the relevant Committee.
- Governors were advised that all changes requested had been incorporated.
- The Chair of the Corporation noted that the Corporation had insufficient time at the meeting to fully explore the plan and delve deeper.
- It was agreed that the Strategic Plan would be approved and underpinning plans to deliver it would be discussed at the next Corporation meeting in September.

CEO

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The Corporation **RESOLVED** to **APPROVE** the Strategic Plan and consider it further at their next meeting.

15. **Chief Executive Officers Report**

- Governors noted that the quality of provision had not made significant enough progress in year to provide any comfort. The SLT had therefore decided to re-focus the entire approach to quality and had reverted back to methods that had provided successful in the past.
- The CEO assured the Board that the coming year would see more focus on individual responsibility and professional development and support.
- It was also noted that HR were looking to provide more support to Managers to enable them to tackle more challenging performance management issues.

The Corporation **RESOLVED** to **RECEIVE** the report.

16. **Policies**

Grievance Policy.

- The CEO confirmed that this policy had been considered at the FGP Committee and was recommended for approval.

The Corporation **RESOLVED** to **APPROVE** the Staff Grievance Policy.

17. **Any Other Urgent Business – PART ONE**

PART TWO – CONFIDENTIAL

18. **i) Remuneration Committee Minutes** for the meeting held on 4th June 2018 were **RECEIVED** for information.

ii) Confidential Item – Subject to PART TWO Minutes.

19. **Appointment of Clerk – Subject to PART TWO MINUTES**

- The Chair of the Corporation expressed his appreciation on behalf of the College and the Corporation for the hard work and commitment shown by the outgoing Clerk Christina Price.

20. **Declaration of any business to be treated as confidential**

To be considered by the Chair and confirmed as Part Two post meeting.

21. **Date of Next Meeting**

Following discussions it was agreed that an additional development event would be held in September to consider the following items in more details:

- Teaching and Learning Strategy
- Received a briefing and presentation on National Achievement Rates
- Delivery of the Strategic Plan.

Scheduled Meeting

- Wednesday 10 October 2018 at 6.00pm: Corporation Meeting

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Signed By: _____

Date: _____