

**CORPORATION BOARD of UNITED COLLEGES GROUP**  
**Wednesday 05 July 2023, 6 pm – Paddington Campus**

**Members Present:** Stephen Davis (CEO), Alex Fyfe, Tony Johnston (Chair), Colin Smith, Max Maalimey, Nadia Babar, Elom Tay, Franklin Asante, Grethe Woodward, Alastair Procter, Laura Griffin, Angela Drisdale Gordon, Liz Jones, Desmond Bishop, Ross Mackenzie, Stephen Grainge

**In attendance:** Zoë Lawrence, James Wilson, Angela Jackson, Melissa Drayson (External Reviewer)

<b>1</b>	<p><b>PROCEDURAL</b></p> <p><b>Welcome and apologies for absence</b>          Apologies had been received from Grainne Brankin, Jessie Turnbull, Andrew Dowsett, and Amish Nathwani.</p>
<b>2</b>	<p><b>Declarations of Interest in the agenda items</b></p> <ul style="list-style-type: none"> <li>• Franklin Asante had an interest in item 3iii Election of Vice Chair and left the room for this item.</li> <li>• SD and ZL had an interest in item 9 SPH Remuneration and left the room for this item. (See confidential minute).</li> </ul>
<b>3</b>	<p><b>I. Approval of Corporation minutes</b>  <i>(Draft minutes were circulated in advance)</i>  <b>The draft minutes of meeting held on 29 March 2023 were approved as an accurate record.</b></p> <p><b>II. Matters arising</b>          There was one matter arising which would be carried forward to the next meeting.</p> <p><b>III. Election of Vice Chair</b>          FA left the room for this item.          The Chair reported that Franklin Asante was the only nomination for the position of Vice Chair. Franklin had been the Vice Chair for the previous two-year term. The Chair sought the Corporation’s approval of the appointment reminding those present that co-opted members were not eligible to vote at Corporation meetings. <b>The Corporation approved the appointment.</b></p> <p><b>IV. Governor Announcements</b>          The Chair announced to the meeting Angela Drisdale Gordon’s decision to stand down as a governor from the end of July 2023. The Corporation thanked Angela for her contribution to the College for the past five years, particularly concerning the quality of teaching and learning, higher education and EDI.</p> <p><b>V. Request to raise Grey Box items</b>          The Chair ask if any member would like to raise any of the items for discussion, otherwise they would be regarded for information only. No items were raised.</p>
<b>4</b>	<p><b>STRATEGIC</b></p> <p><b>I. CEO Report / Balance Score Card</b>  <i>(Paper circulated in advance)</i></p>

SD presented his report to the Corporation. It detailed progress against the performance indicators in the balance score card and RAG rated these. He highlighted the levels of student behaviour incidents which correlated with areas with poorer teaching quality. The report included a section from each career cluster and support area detailing the year's achievements and areas of development. Recruitment and retention of good staff was a common theme, along with systems integration and compliance. It was noted that Louise Reynolds was leaving the college at the end of the term and the Corporation asked to pass on their thanks and appreciation for her hard work on A level provision.

SG noted the £1.6m surplus when including the R2L sale and asked if the reforecast budget would still be met excluding this? SD confirmed this to be the case. AP commented that the staff mix KPI was not met and should be rated amber. SD acknowledged this and that it would be amended. TJ asked what proportion of students involved in incidents had been excluded. SD said that exclusions were kept to a minimum, but he thought this to be a small number less than 10. JW commented on the stringent ways the incidents were reported and that it usually involved the intervention of a duty manager or security. Exclusions were mostly from the Paddington campus, and prior attainment being lower than average was often a factor. LJ asked what approaches there were to behaviour management. JW explained that timetabling had been taken into account, plus more recently trauma informed learning had helped staff understand students' individual circumstances. It was noted that the QDP survey and Ofsted both recognised the efforts to keep student safe. AP asked about the cyber security training and that the lack of it presented one of the biggest risks. SD said that work was progressing with HR to make this training mandatory, with more work on explaining its importance and internal communications. SG asked if cyber security training was needed for students. SD said that there were different access protocols for students, but it was something they should look at.

SD set out some of the external stakeholder activity for this term which included meetings with No 10, the FE Commissioner, Ministers from Armenia, JISC, strategic conversations with the ESFA and the GLA, Collab, West London Principals' Group, CEO of Brent Council, AoC Manifesto launch, and Goldman Sachs. He also provided an update on current pay negotiations, and the anticipation that a local settlement could be reached.

TJ sought that the efforts of all those involved in the very sad incident resulting in the death of a young person in St Mary's church yard a few weeks prior to the meeting was recognised. The college responded in an exemplary way to the credit of all involved.

## **II. Accountability Agreement**

*(Paper circulated in advance)*

The Accountability Agreement had been reviewed by the TLS Committee and was recommended to the Corporation for approval. Whilst it did not include all activity it provided a summary of key elements in response to the LSIPs. The format of the report had been specified by the DfE. **The Corporation resolved to approve the Accountability Agreement for submission to the DfE.**

## **III. Strategic Risk Register**

*(Strategic risks circulated in advance)*

SD provided a brief report of the main strategic risks which had also been reviewed by the Audit Committee. It was noted that the risk relating to the telecoms mast had been resolved since the time of writing and would be closed out. SG asked if there was a key to the risk register. This was included in the policy. **Members noted the risk register.**

	<p><b>IV. EDI Action Plan - Update</b>  <i>(Paper circulated in advance)</i></p> <p>SD provided a summary of the progress made since the previous report to the Corporation and the intention to set up a series of workshop on anti-racism. The staff conference was also to take place the following day which has celebrating differences as its theme with a range of relevant external speakers. It was noted that 41% of the college leadership and management were now from ethnically diverse backgrounds and steady progress was being made on other areas of the plan. DB asked about the demographic of HPLs and the fractionalisation process. SD said that he was not certain of the demographic profile of this group of staff, but acknowledged that the fractionalisation work had needed to be agreed with the recognised trade unions so had taken longer to conclude than anticipated.</p>
5	<p><b>COMMITTEE MATTERS</b></p> <p><b>Teaching Learning and Skills Committee</b>  <i>(Papers circulated in advance)</i></p> <p><b>I. Link Governors</b></p> <p>LJ provided a verbal Link Governor report in regard to her interactions with the Health, well-being and care career cluster. She said that she had visited provision on all the campuses, met staff at focus groups who were all committed to students. She talked about the cluster's concerns about decant and the new facilities at the Paddington Campus, staffing and the role of the tutor in supporting students and their influence on student behaviour. She said that overall, the visits provided a useful context.</p> <p>ADG reported that she had attended the end of year show for the Creative Industries and Digital Technologies career cluster. She noted the sharing of best practice by the AP in her area and the level of student engagement.</p> <p>RM as Link Governor for Business and Accounting Career cluster noted issues with achievement in prior years. He said he had met with teaching staff and a group of 16-19 year-old students. He noted how important role models and careers guidance was for this subject, but also the focus of the students and their ambition to want to go to university. He reported the cluster's issues with recruitment of staff and the AP's increase confidence in leading the career cluster over the past 12 months. The intention was for this career cluster to merge with A levels for next year which would bring 16-19 year-old learners together. He said he could see the effects of 'grow your own'.</p> <p><b>II. Predicted Achievement</b></p> <p>JW provided the highlights from his report which had been reviewed in detail at the TLS Committee. Overall, there was an increase in achievement though performance was still below the national rates (NR). Though UCG continued to be in the bottom quartile the college was no longer bottom. The progress made was thought to be a solid foundation. JW explained how the predictions had been made, based on a more evidenced approach. SG asked about how the NRs had been derived. SD explained that these were verified by the ONS. SD also said that it was important to see achievement in the demographic context and consider the opening data position. <b>Members noted the report.</b></p> <p><b>III. QDP Student Survey</b></p> <p>JW provided a summary of the main areas of the results from the survey, explaining the approach for those less familiar. There had been improvement in the majority of areas from</p>

	<p>last year’s survey, and also from the one completed in December 2022. The career clusters that performed less well were business and health, well-being and care. The campus with the lowest scores continued to be Paddington. JW said that it showed that efforts being made were starting to have impact and that the work would continue. AF asked if the responses to the question whether you would recommend the college to a friend was of interest regarding enrolment. RM noted that some of the percentage scores were quite high despite being in a lower quartile. He queried if there was benefit in comparisons with just other London or inner city colleges. SD said that the survey was used as a call to action, and he thought it was important to note the distance travelled in the past few years which had been positive and should be celebrated but noted that there was still work to do. GW said that it was consistent with other reports to the Corporation and that it showed evidence that the strategies being implemented were taking affect. LG commented that there was a pattern in practical actions being rated more highly than one-on-one relationships and interactions and wondered if this was born out in practice. JW said that the observation was interesting and that work was being taken forward on the role of the tutor. DB said that the one-on-one relationships with students could be improved. <b>Members welcomed and noted the report.</b></p> <p><b>IV. Safeguarding Update</b></p> <p>AJ provided a brief summary of this report which had been discussed in detail at TLS Committee. She highlighted the work on prevent with apprenticeships, and that the Single Central Record was up to date. GW commented that she had attended the Strategic Safeguarding meetings each term and was confident that this was a strong and proactive area of the college’s work. <b>Members noted the report.</b></p>
6	<p><b>Finance &amp; Resources Committee</b></p> <p><b>I. 2023/24 Budget (for approval)</b>  <i>(Paper circulated in advance)</i></p> <p>SD apologised for the lateness of this paper, but there had been considerable work to recast the budget following discussion at the F&amp;R Committee the previous week. SD set out for the benefit of the non-F&amp;R Committee members the expected reduction in income for 2023/24 and the other increases in expenditure. He relayed the discussion from the F&amp;R Committee meeting, how a break-even budget was likely to be detrimental to the progress being made in areas of student experience and outcomes acknowledging the benefit of the one-off income from the sale of the right to light. The budget being offered for approval was in deficit with investment being made to key areas to ensure student experience and matters of compliance. SG asked about cash flow. SD confirmed that due to the decision to delay some aspects of the decant at Willesden and use other grant funding for this, the cash position was sound. LJ and AF asked about the assumed pay award in the budget. This was still being negotiated, but was thought to be a reasonable provision. AF expressed concern about this becoming a year-on-year issue and questioned what plans were in the pipeline to grow revenue. SD confirmed that there was no commercial growth planned because of the implications of the ONS reclassification, however he was confident that the investment being made would continue to improve achievement and the performance of teachers, which would in turn attract and retain more students. Productivity and class sizes could also be reviewed. It was also important to continue to offer competitive salaries. SD said that there was no intention to have ongoing deficits, the intent was to raise cash for capital investment, and possibly to purchase growth. He felt that without this investment there would be a need to reduce staffing as a major cost contributor, and without it the recovery of the lost income this year would take longer. He sought the Corporation’s support for a one-year deficit budget with the delay to decant alleviating the cash position.</p>

RM suggested that the budget be revisited once enrolment and retention levels were known. He also asked if the work on fractionalisation of HPL staff would limit the amount of flexibility. SD said that the split between HPL and permanent staff was sufficient to provide necessary flex. He also said that programme design could be changed to provide flexibility on resource use.

FA commented that it was important to provide the necessary tools and resources for the SLT to deliver the college's strategic objectives. He reminded the Corporation of the college's primary purpose to deliver for students. He was supportive of the investment, though recognised that it needed to be closely monitored. Enrolment data at the October F&R Committee would be key. **The Corporation resolved to approve the deficit budget for 2023/24.**

## **II. DfE Loan Agreement**

*(Documents shared in advance)*

SD reported that the RCF with Barclays would be replaced by a term loan with the DfE with effect from the end of July 2023. It was therefore necessary for the Corporation to approve the loan agreement, based on the term sheet, which included first legal charge on the Wembley and Willesden campuses for security. It had been advised that the terms of the loan from the DfE would not change unless there was detriment to the DfE or there was a legal capacity issue for the borrower. Any change was considered unlikely. UCG had asked lawyers to review the draft agreement for purposes of due diligence. The interest rate and some points of clarity on the term sheet were discussed. **Members resolved to approve the loan agreement.**

The Corporation approved Amanda Thorneycroft and Zoë Lawrence as authorised signatories for the DfE Loan.

## **III. Banking Covenants**

The F&R Committee had been informed that the banking covenants would be breached as a result of drawing down the RCF and entering into the loan agreement with DfE at the end of July. Following the budget re-profiling from breakeven to the proposed deficit budget, which included a delay to the decant expenditure at Willesden, it was now thought that the banking covenants may not be breached. It was agreed that the Corporation would approve any reset or waiver of the banking covenants in principle now, so that the approvals were in place if needed to allow the loan agreement to be signed. The documentation would be provided for the next meeting of the Corporation for formal approval.

## **IV. Equal Pay Gap Report**

SD presented this report noting that it was the first time that this type of analysis had been completed for gender and ethnicity. It was noted that the job families within the college were poorly defined so comparisons between job roles were more difficult to make. The pay gap for ethnicity was comparable to other organisations who reported it. More work would be taken forward on job families and further areas would be included in this analysis the following year. **Members noted the report.**

## **V. Subcontracting and Procurement Policies**

These policies had been reviewed by the F&R Committee and were being recommended to the Corporation for approval. GW commented that the safeguarding and prevent duties should be included on page six of the Fees and Charges Policy. It was agreed that this

	<p>amendment would be made. <b>Pending this change the Corporation resolved to approve the policies.</b></p> <p><b>VI. Contract Approvals</b>  SD presented the two contract approvals for payment. These were invoices from Salix for the installation of solar panels and heat pumps at the Paddington Campus, which was largely grant funded, and from Midland for the next three-year contract for iTrent (HR system). These values were in excess of the CEO authorisations levels so were being referred to the Corporation for approval in accordance with the Standing Financial Instructions. <b>The Corporation resolved to approve the payments.</b></p>
7	<p><b>Property &amp; Infrastructure Committee</b>  <i>(Paper circulated in advance)</i></p> <p><b>I. Project Update and Budget Review</b>  SD presented a short update on the project including DHW's delay to submitting their planning application and the successful resolution to the removal of the telecoms mast. He also sought the Corporation's approval to increase the project budget by £3m through including the contingency grant provided by the GLA. This was in response to the build cost increasing by £2.6m. The cost report was provided in the papers. SG asked what arrangements were in place should the costs increase further. SD said that adequate contingencies had been worked into the budget for inflationary pressures and would be kept under review. RM asked of the premise for DHW's delay in submitting their planning application. SD said that he had recently met with DWH and was assured that the delays were in respect to reasonable issues and work was progressing with continued investment in the project. He did not think that it was intentional stalling for other reasons. <b>The Corporation resolved to approve the increase in the project budget from £134 to £137m.</b></p>
8	<p><b>Governance, Search and Remuneration Committee (Part 1)</b></p> <p><b>I. Senior Post Holder Policies</b>  These policies had been reviewed by the GSR Committee and were recommended to the Corporation for approval. There were no changes to the policies from the previous version. <b>The Corporation resolved to approve the policies.</b></p> <p><b>II. Committee Membership and Dates 2023/24</b>  The Committee membership and dates for 2023/24 were provided for information.</p>
9	<p><b>Governance, Search and Remuneration Committee (Part 2)</b>  <b>Confidential items</b></p> <p><b>See Confidential minutes</b></p>
10	<p><b>AoB</b></p> <p>The date of the next meeting 18 October 2023</p> <p>The meeting closed at 9.00 pm</p>

Minutes taken by Zoë Lawrence 06 July 2023

SIGNED: .....

Date:

Tony Johnston, Chair

**ACTIONS**

<b>Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status</b>
<b>30/3 7iii</b>	Further review of the Business Continuity Policy to align with the strategic risk register to be taken to the Audit Committee.	SD	Carried forward
<b>06v</b>	For the safeguarding and prevent duties to be included on page 6 of the Subcontracting Fees and Charges Policy.	AT	Complete