

Meeting of the Finance and Resources Committee

Venue: STC Conference Room 1 / TEAMS

Date: 26 September 2024

Time: 4.00pm – 5.45pm

Present: Clive Johnson (in the Chair)
Gary Hindmarch
Mark Turnbull
Lindsey Whiterod

In Attendance: Neil Longstaff (Director of Governance)
Jane Cuthbertson (Chief Operating Officer)
Allyson Edney (Director of HR)
Karen Ritchie (Director of Finance)
Scott Bays (Director of MIS)
Claire Pinkney (Contracts and Procurement Manager)
Tamara Stephenson (Contracts and Projects Manager)

ACTION TRACKER

Item	Summary of Action Required	By whom	Status	Comment / Update
Meeting held on 26 Sept 2024				
4.	<u>Review of Committee Performance against TOR</u> NL is to implement an agenda tracker to ensure the Committees TOR had been covered during an academic year	NL		
	the CEO is to contact the CEO of Newcastle Building Society to determine whether they had anyone suitable to serve on the Board.	LWh		
14.	<u>Annual Review of Financial Regulations</u> the Finance and Resources Committee agree to receive the report and recommend the Financial Regulations to the Board for adoption.	JC		Approved by Board

MINUTES

ITEM	ISSUES	ACTION
1.	Apologies for Absence There were no apologies for absence received.	
2.	Declarations i. <u>Declarations of interests</u> The Chair reminded members to declare any conflicts of interest as they arose on the agenda. The members of the Committee were reminded of the standing declarations in respect of the roles held in Tyne Coast Academy Trust by CJ and LWh. ii. <u>Business to be raised under Item 20</u> None.	

3.	<p>Minutes</p> <p>The minutes of the meeting held on 4 July 2024 were approved and signed by the Chair.</p> <p>Matters arising not covered on the agenda</p> <p>As reported on the Action Tracker(s).</p>	
4.	<p>Review of Committee Performance against TOR</p> <p>The purpose of the report was to provide governors with details of the performance of the Finance and Resources Committee during 2023-24.</p> <p>Members of the Committee (2023-24) and Lead Officer had been asked to complete an online survey to review the Finance and Resources Committee's performance during the previous financial year.</p> <p>There were no areas identified as being either ineffective or less than satisfactory. It was reported that overall governors graded the committee's performance as 'Good-Outstanding' and this was based on a return rate of 60%. Written feedback was reported and noted.</p> <p>NL confirmed that G&S Committee reviewed the membership of all committees using the skills matrix and it also reviewed the TOR on at least an annual basis using feedback from the F&R Committee and/or Exec. Team.</p> <p>Governors discussed a method by which they could monitor the agendas to ensure they covered the Committees TOR over the course of the year.</p> <p>Another comment received was the need to have more accountants on the Board/Committee. NL reported that he had held conversations with representatives of Newcastle Building Society but had heard nothing further.</p> <p>Q. Send surveys to other regular attenders? NL confirmed that the Lead Officer was the only person other than governors to have been sent an invite to complete the annual self-assessment survey. Extending to other non-regular attenders was felt to be non-beneficial but those who attended all meetings could be included in future reviews.</p> <p>Resolved:</p> <ul style="list-style-type: none"> i. That the report is received and acknowledged. ii. That NL is to implement an agenda tracker to ensure the Committees TOR had been covered during an academic year. iii. That the CEO is to contact the CEO of Newcastle Building Society to determine whether they had anyone suitable to serve on the Board. 	<p>NL</p> <p>LWh</p>
5.	<p>Committee Workplan 2024-25</p> <p>The Committee Workplan for the Finance and Resources Committee for the forthcoming year was presented for information and review.</p> <p>Resolved: That the Committee Workplan 2024-25 is received and accepted.</p>	
6.	<p>Chair's Urgent Action(s)</p> <p>Confidential item</p>	
7.	<p>Forecast Partnership Activity 2023/24</p> <p>Confidential item.</p>	

	<i>TS left the meeting</i>	
8.	<p><i>With the agreement of governors, the Chair changed the order of business as follows:</i></p> <p>Learner Recruitment and Funding Update 2024-25</p> <p>This paper was to provide the committee with an update against funding allocations. Further analysis by curriculum area was being explored and was to be provided at subsequent meetings.</p> <p>The tables provided displayed performance by business unit and the curriculum was being analysed to ensure efficiencies were being made across areas where there was lower recruitment:</p> <ul style="list-style-type: none"> • The Marine School • South Tyneside College • Partner Delivery • TyneMet College <p>SB described the overall picture as the most positive he had seen in some time.</p> <p>Q. T Levels not hitting target? No. There was a possibility of £85k to be clawed back but this would be offset by core provision (£700k up). LWh explained that T Levels were a challenge as it created issues for FE Colleges regarding recruitment and retention.</p> <p>SB reported that one trigger for additional funds was a high deprivation score and the FSM element was also expected to increase. JC indicated that assumption of funding would not be factored in.</p> <p>It was reported that the funding received from the North East Combined Authority (NECA) was more than initially expected at this stage in the year. SB was not expecting any issues relating to the spend of the Combined Authority funding. New trading systems had also been introduced.</p> <p>Q. Number of days for a student to qualify for funding? To qualify for funding students had to be on roll for 42 days but it was stressed that the ESFA counted the number as at 1 November and reviewed the College's position up to December with a view to payments being issued in February. This was to ensure Colleges were maintaining their numbers.</p> <p>Q. T Levels looking good for recruitment but others on target? HE would be achieved and the loans and NECA monies would be spent. SB outlined potential additional funding during the year.</p> <p>Q. Numbers built into allocation? Yes, it's what it's based on. However, JC was keen to see more data to support the information being received and having a greater understanding. SB indicated that a live dashboard was being developed.</p> <p>Resolved: That the report is accepted and information acknowledged.</p> <p><i>SB left the meeting.</i></p>	
9.	<p>HR Report and Update on Action Plan 2023/24</p> <p>This report provided an update on HR issues including sickness absence, Better Health at Work, union meetings, HR system and the staff survey.</p> <p>AE highlighted the following matters:</p> <ul style="list-style-type: none"> • <u>Sickness Absence</u> The overall days lost through sickness absence in 2023/24 had reduced. <p>Q. Benchmarked? Difficult to do as Colleges tended not to share their data.</p>	

	<p>The largest proportion of absence related to long term health conditions. Stress/mental health issues were the main reason for long term absence across the college. This was not specifically work-related stress, which was recorded separately.</p> <p>Q. Absence figure low? Yes.</p> <p>Q. Doing anything about managing absences? Yes, particularly long term but this was difficult given the circumstance usually associated with long term illnesses. Strategies used to get staff back to work were outlined by AE.</p> <p>A governor suggested exploring rewarding staff with 100% attendance.</p> <ul style="list-style-type: none"> • <u>Better Health at Work (BHAW)</u> The College was working hard to promote 'Well Being' across the College. • <u>JCC</u> Formal JCC meetings had been replaced over the past year by ad-hoc meetings to discuss the dispute with the UCU regarding the pay award 2022/23, which was referred to ACAS in December 2023 and to which no resolution was forthcoming, and also, discussions around associated proposals. Formal JCC meetings were to be reinstated. • <u>Staff Survey</u> It was noted that there had been no staff survey in 2023/24. Q. Staff survey this year (important) as this was also highlighted in the recent external governance review? Negotiations had been held with representatives of HIVE who had offered to work with the College to carry out the next survey free of charge. This was to be considered at Exec Team. Should it not be appropriate to use HIVE, alternatives would be considered to ensure a survey was conducted. AE stressed that all surveys with staff were confidential but some staff still remained reluctant to complete them. • <u>Pay Dispute</u> Confidential item <p>Resolved: That the report is accepted and information acknowledged.</p> <p><i>CP joined the meeting.</i></p>	
10.	<p>Human Resources Action Plan 2023-24 and review of 2022-23</p> <p>This report provided an overview on the work being undertaken and planned into 3 key areas of focus for the HR Team, these being:</p> <ul style="list-style-type: none"> • Induction for New Starters • Line Manager Training • Well-Being Initiatives <p>Governors indicated that this was a good plan with clear objectives and timescales.</p> <p>Q. How are the three priority areas to be measured to show how effective they have been? AE stated that they would have targets to measure and monitor, and gave examples.</p> <p>Resolved: That the report is accepted and information acknowledged.</p> <p><i>AE left the meeting</i></p>	
11.	<p>Procurement and Contracts reflection paper 2023/24</p> <p>This paper aimed to provide governors with an update regarding key highlights and developments within the procurement function.</p> <p>It was reported that tender exercises or reviews had taken place for the following services, in some cases resulting in cost savings (details provided in report) and creating efficiencies in processes:</p> <ul style="list-style-type: none"> • Legal Services for HR/General • Audit services 	

	<ul style="list-style-type: none"> • Cleaning services • Print services (both internal and external). <p>Close contract management had continued within energy contracts, in terms of arranging contracts and mitigating risk of costs.</p> <p>The Chair indicated that it would be useful to show the savings in totality in the next report.</p> <p>Resolved: That the Committee agree to receive the report and acknowledge the information provided.</p>	
12.	<p>Ward Hadaway Legal Services Direct Award and approval of contract</p> <p>Confidential item.</p>	
13.	<p>Annual Report on Estates</p> <p>This report provided governors with an update on major estates projects and developments.</p> <p>JC highlighted from the report that due to the two successful bids for total site relocation, planned works to the main campus was limited to works focussed on safely preserving the life of buildings (e.g. boilers) and using in-house resources wherever possible. However, after withdrawal from the TM project further analysis had taken place to define what was required over the next 10 years. From a condition report completed by Faithful & Gould in 2021, £17m would be required to maintain TM over the next 10 years of which £10m would be required over 5 years.</p> <p>To summarise, the Estates team had focussed on maintaining the existing premises to ensure safe operation and an appropriate environment for students whilst mindful that non-essential work and high-cost capital work was avoided in areas that would be relocating or whilst further appraisals were taking place.</p> <p>Teaching areas for 2024/25 had been created in Health and Social Care at TyneMet and Construction at both sites to allow for increased numbers and T Level introduction. Further construction and Engineering T Level facilities had been designed and tendered to be constructed by the end of January 2025.</p> <p>Support had been given to the new capital bid to facilitate the RIBA stage 4/5 layouts and equipment moving or being replaced.</p> <p>The Maintenance team had also supported the Tyne Coast Academy Trust where it was financially prudent to do so; quotes were produced, materials were purchased by the Trust and labour recharged.</p> <p>Q. Estates Strategy (TCAT) – positive comments following audit by DfE Capital Adviser? Very good outcome and JC would convey governors’ thanks although it was noted that the College was no longer supporting TCAT in this area.</p> <p>MT declared an interest in this matter re Tyne and Wear Marine Ltd, thereby taking no part in discussion or voting.</p> <p>Resolved: That the report is accepted and information acknowledged.</p>	
14.	<p>Annual Review of Financial Regulations</p> <p>The purpose of the report was to review and agree the Financial Regulations before seeking approval to adopt them by the Board.</p>	

	<p>The Financial Regulations had been reviewed and updated. Section A made reference to the changes required from reclassification and the importance of the College Handbook and requirements of HMT Managing Public Money.</p> <p>There had been substantial changes in Section H, which had been renamed to Expenditure. This related to formatting and structure and emphasising the importance of the proper use of public funds. There had been an increase to the lowest value purchase whereby one supplier / best value was required. Previously this was £2k including VAT and had increased to £5k including VAT. The value had not increased for a number of years but there had been significant increases with inflation.</p> <p>The tendering section was previously held at Section Y and this had been brought forward into Section H.</p> <p>Q. College Handbook National? Yes.</p> <p>Resolved: That the Finance and Resources Committee agree to receive the report and recommend the Financial Regulations to the Board for adoption.</p>	JC
15.	<p>Management Accounts</p> <p>Confidential item</p>	
16.	<p>2024-25 Budget Pressures</p> <p>Confidential item</p>	
17.	<p>Bad Debt Provision and Annual Write Off of Bad Debts</p> <p>Confidential item</p>	
18.	<p>Approval of Contracts and Planned Expenditure in Excess of £125k</p> <p>Confidential item</p>	
19.	<p>Dr Winterbottom Annual Report 2023/24</p> <p>The report was to provide governors with details of the Dr. Winterbottom Charitable Fund (DWCF) results and closing balance for 2023/24 and an overview of activity in the year.</p> <p>JC highlighted the following:</p> <ul style="list-style-type: none"> • The DWCF account had an opening balance as of 01/08/23 of £13,775.77 • In year, DWCF had incurred costs of £5,590.06, £3,803.92 had been paid to support 29 students and £1,786.14 had been paid to support costs for bus passes. • The DWCF account closing balance as at 31/07/24 of £8,185.71 <p>Q. Fundraising activities? None happening at present. Governors were reminded that the Principal for SSMS was responsible for the DWCF.</p> <p>Q. Are the details kept on the Balance Sheet? Yes.</p> <p>Resolved: That the report is received and acknowledged.</p>	
20.	<p>Any other business</p> <p>None.</p>	
21.	<p>Date and time of next meeting</p>	

	Thursday 21 November 2024 at 4.00pm.	
22.	Identification Confidential Items Resolved: That the following items are to remain confidential: <ul style="list-style-type: none">• Item 06 – Chair's Urgent Actions• Item 07 – Forecast Partnership Provision• Item 09 – HR Report (Pay)• Item 12 – Ward Hadaway Legal Services Direct Award and approval of contract• Procurement and Contracts reflection paper 22/23• Item 15 – Management Accounts and commentary• Item 16 – Budget Pressures 2024-25• Item 17 – Bad Debt Provision and Annual Write Off of Bad Debts• Item 18 – Approval of Contracts and Planned Expenditure in Excess of 125k	

Signed: **Date:**