

**Agenda No: 02**



## **FINANCE AND GENERAL PURPOSES COMMITTEE**

**TUESDAY 29 MARCH 2022**

**Report: Minutes of the meeting held on Friday 21 January 2022**

**Author: Clerk**

**Action: Approve**

**Status: Open**

**Present:** Martin Hedley (MH – Chair)  
David Alexander (DA – Principal and CEO)  
David Brind (DB)  
Gareth Edmunds (GE)

**In attendance:** Jeremy Cook (JC – Deputy Principal: Finance & Resources)  
Nadine Hudspeth (NH – Director of Marketing & Communications, Estates and Health & Safety)  
Ivan Jepson (IJ – Director of Business Development & Planning)  
David Keetley (DK – Financial Controller)  
Chris Toon (CT – Deputy Principal: Curriculum & Quality)  
Emma Moody (EM – WBD, Clerk)

### **F/071 Chair's Welcome, Apologies and Conflicts of Interest**

The Chair welcomed everyone to the meeting. No apologies were received.

No conflicts of interest were declared at the start of the meeting but members were reminded to declare any conflicts that arose during the meeting itself.

### **F/072 Minutes of the last meeting dated 22 October 2021**

The minutes from the Finance and General Purposes Committee meeting on Friday 22 October 2021 were agreed as a correct record.

GE queried whether or not the College team had followed up with Northumbria Police regarding cyber testing. CT confirmed the College had not pursued this as yet as there had been a significant piece of work already ongoing on this, but CT would follow this up later in the year.

*Action: CT to follow up with the Northumbria Police opportunity for cyber testing later this year.*

### **F/073 Matters Arising**

The action log was presented to the meeting.

Estates update would be taken off the log as a Strategy update had previously been provided and following on from the leasing report presented at the meeting today would be picked up in general strategic planning for the College.

EM updated the Committee on the meeting regarding the Foundation and confirmed it had taken place and, following discussion, it would remain a wholly owned subsidiary and an operating agreement be drawn up in due course.

*Action : this committee to track the completion of the operating agreement between the College and the Foundation.*

#### **F/074 Enrolment Update**

The report was presented by CT.

DB raised the question of how enrolment forecasts were made and understanding of the reasons for the variation against the 16-18 full-time learner numbers. CT confirmed that the pandemic had delayed some entries onto courses. Projections were based on good metrics and data, but the plans in some areas, such as construction and early years, had not materialised this year due to students accessing different entry points – there were strong applications in apprenticeships, which were showing recruitment numbers above plan, as opposed to the lower than planned numbers emerging for full time 16-18 courses.

GE referred to the management accounts, and highlighted that the Key Performance Indicators for December 2021 showed that pay against income was above the 65% target ratio. GE asked, if a curriculum is still fit for purpose, and pay is high, then GE asked how a decision is made as to whether to continue provision. CT confirms that the overall staff pay to income ratio is not far off benchmark and should be aligned to benchmark by the end of the year. Curriculum areas are reviewed for their contribution, some were not delivering as hoped, but some were out-performing target so the net effect was largely the same. JC also highlighted that the pay to income ratio as shown in the KPIs included the additional employer pension contributions currently being made by the College – however, as outlined within the management accounts, if these are excluded the forecast ratio for the year is under 64%.

***The report was noted.***

#### **F/075 Management Accounts**

The management accounts were presented by JC.

JC set out clearly for the Committee the College cash position as a result of the timing of the 2020-21 AEB clawback. This would result in a technical breach of ESFA covenant and JC was in active dialogue with the PMO regarding a waiver of breach.

JC highlighted the relatively significant costs associated with end Point Assessments (EPAs) for apprenticeships, both initially and on any re-sit. **THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION.**

JC highlighted some opportunities for new income and income generation. There are additional bootcamps potentially in construction and green skills. There are also opportunities to invest in curriculum, digital and other areas.

No questions were raised by the Committee, it being satisfied of the information contained therein.

***The management accounts were noted.***

#### **F/076 Financial Regulations**

The report was presented by JC.

GE asked about conflicts of interest and related party transactions, and questioned whether they are covered by the financial regulations. JC would review and confirm.

MH raised some minor points on clauses 10.4 and 18.15.

*Action: Clause 10.4 and 18.15 should be reviewed, the latter to ensure the legislative position was stated accurately.*

***The financial regulations were approved and the committee noted that thresholds would be reviewed later in the year.***

#### **F/077 Procurement Update**

The report was presented by JC and an update provided on the ongoing review of procurement. Further updates would be provided to future meetings of the Committee.

***The report was noted.***

#### **F/078 College Property Leases**

The report was presented by NH.

MH raised a query in relation to a lease agreement with Nissan and the length of this. IJ confirmed that the initial negotiations around the lease resulted as part of potential investment from One NE, he could not comment on how the College became bound by the length of the lease term.

**THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION.**

***The report was noted.***

#### **F/079 Pensions**

The report was presented by JC.

DB asked if the legacy pension rates were based on historical inflation rates, whether these should be reviewed and in turn could they materially affect the College's liability. DB queried if the College should get some third party actuarial advice on this matter.

GE noted this is a sector wide fund. Other institutions were in a similar position. The LGPS would be unwilling to consider an individual provider's actuarial advice, as it could set a precedent for others. JT confirmed that the LGPS would be unlikely to change its position on this for an individual institution.

***The report was noted.***

#### **F/080 Risk Register**

The report was presented by JC.

JC confirmed that the risk register had been updated to align to the College's 5 key strategic themes.

GE asked about the grading of R22 and whether it should remain red. JC said he was being prudent in line of the technical covenant breach but confirmed the team would keep this risk under review.

*The report was noted.*

**F/081 Any Other Business**

**THIS ITEM IS CONFIDENTIAL AND NOT FOR PUBLICATION.**

2) RB confirmed his retirement from the College at the end of this month. The Chair thanked RB for all of his work on behalf of this Committee.

**F/082 Date of next meeting**

The date of the next meeting was confirmed as Friday 25 March 2022 at 10.00am.