



Agenda No: 01

Finance & General Purposes Committee – Main Minutes

Friday 27 September 2024 – 10.45am – 12.45pm

Gateshead College Boardroom

Committee Members	Type	Initials	Attendance	Apologies
Martin Hedley	Chair / Independent Corporation Member	MH	X	
David Alexander	Principal / CEO Corporation Member	DA	X	
Darren Curry	Independent Corporation Member	DCu	X	
David Brind	Independent Corporation Member	DB		X
Daniel Wallace	Staff Governor	DW	X	
Victoria Beattie	Co-opted Governor	VB	X	
Sarah McCourt	Co-opted Governor	SMc		X
Chris Forster	Co-opted Governor	CF	X	
Clerk				
Nicola Taylor	Director of Governance & Compliance	NT	X	
Attendees				
Peter Francis	Independent Governor	PF	X	
Jeremy Cook	Deputy Principal: Finance & Resources	JC	X	
Chris Toon	Deputy Principal: Curriculum & Quality	CT	X	
Ivan Jepson	Director of Business Development & Innovation	IJ	X	
Nadine Hudspeth	Director of Brand & Learner Experience	NH	X	
Deni Chambers	Director of Curriculum & Skills	DCh	X	
David Keetley	Financial Controller	DK	X	
Darren Heathcote	Head of Student Services and Customer Experience	DH	X^	
John McNeany	Head of IT	JM	X^	

^Attended for part of the meeting.

F/269 1. Chair's welcome, apologies, conflicts of interest

The Chair opened the meeting and welcomed the attendees.

Apologies were noted from DB and SMc. The Committee **agreed** that the meeting was quorate.

There were no conflicts of interest declared. Members were reminded to declare any conflicts that arose during the meeting.

The Chair noted that there was a focus on ensuring a psychologically safe environment for governors and staff members to feel comfortable to ask questions and positively challenge.

F/270 2. Minutes of the last meeting dated 21 June 2024

The Committee **reviewed** the main minutes from the previous meeting and **agreed** that they were a true and accurate account of the meeting.

The minutes were approved.

F/271 3. Matters Arising / Action Log

NT presented the action log and highlighted the following:

- Sustainability KPIs would be developed for the finalisation of the Sustainability Strategy.
- The invitation remained for Committee members to contact NH regarding the marketing research previously presented ahead of the finalisation of the Brand and Marketing Strategy.
- The College were awaiting further information from the Local Government Pension Scheme (LGPS) regarding opt out reasons. JC confirmed that the College's opt out rate was similar to those across the sector following a question across the Finance Directors network. It was **agreed** to keep this action open until the next meeting.
- JC and VB were continuing to meet as the Estate Strategy was being developed.

All other actions had been closed or completed.

The report was noted.

F/272 4. Strategic Risk Register

The Chair noted that the Risk Register had been brought to the start of the meeting to remind the Committee of the risks under its remit and to ensure focus of these throughout the meeting.

JC presented the report and highlighted the following key risks relating to the work of the Committee:

- The impact of additional learner number growth and the challenges surrounding this relating to funding and staffing.

In relation to staff recruitment, work was underway across the summer as part of a recruitment campaign. 73 of the 91 advertised vacancies had been filled. Due to additional learner recruitment, further recruitment would be required.

- *Covered under a confidential minute.*
- Cyber Security remained a key risk on the register however assurance was provided that the Crowd Strike issue affecting many organisations in July 2024 did not impact the College due to the College's approach and management of patching.

The report was noted.

F/273 5. Procurement Update

JC presented the report which sought Committee approval of the tender recommendation of the Engineering Workshop Improvement Works. This was the 2nd phase of the project to support curriculum development. The contract works were planned to commence as soon as possible and be completed by mid-December 2024.

The Committee discussed and queried the following:

- Proposed timescales and provision for disruption – it was noted that the project was within a challenging timescale and that a delay would have implications on implementation and curriculum delivery, however contingency planning was in place.
- Financial penalties of delays – it was agreed that the potential of financial damages could be discussed at procurement meetings along with the close monitoring of the project.
- The locality of the proposed contractors – it was confirmed that the proposed contractor was local with strong community links.

The Committee **considered** the positive impact of the work on the learner experience.

The Committee **approved** the award of the Engineering Workshop contract as per the recommendation.

The report was approved.

JC provided a verbal update on the tender process for Rail Industry Services, noting that further questions were required as part of the process and therefore electronic approval would be sought for this between meetings.

Action: JC to circulate Rail Industry Services Tender approval request by email.

The Committee **noted** the update.

The verbal update was noted.

F/274 6. Strategic Progress Reporting

6.1 Strategic and Operational Planning Update

DC presented the report and highlighted the following:

- The Corporate Planning Framework was well embedded across the College.

- Following on from previous reporting, a term 3 update of Operational Planning had been included, which provided an update relating to the full year covering the period from 1 August 2023 to 31 July 2024. The paper proposed a transition from operational planning reporting to strategic monitoring going forward.
- For those College Strategies without KPIs, KPIs would be presented for recommendation at the November 2024 Committee meeting. This would allow the Committee to monitor progress of each of the strategies under the FGP remit.

DA noted his thanks to the team for the cross-college exercise and noted the importance of ensuring consistency of reporting. DA confirmed that the intention was that all College strategies would be in place and approved by December 2024. Board reporting in November 2024 would be based on a RAG rating of strategic objectives, with a full suite of KPI reporting to be in place for 2025/2026, based on 2024/2025 progress.

The Committee **noted** the significant progress of the approach to strategic reporting.

The Chair reiterated a reminder of reaching out to governors to utilise expertise and experience where useful.

The Committee **agreed** the approach set out in relation to strategic and operational planning, where annual reports would be presented relating to strategies rather than operational updates.

The report was noted.

6.2 Strategic Progress Update – Approved Strategies

JMc joined the meeting.

Finance Strategy

JC presented the report and highlighted the following:

- The Finance Strategy had been approved in December 2022 and this was monitored closely through the Committee agreed KPIs presented on a meeting-by-meeting basis.
- There was no suggestion to change any of the KPIs reported to the Committee or Board.

The Committee agreed to continue with the financial KPIs already in place at Committee and Board level.

Procurement

JC presented the report and highlighted the following:

- The Procurement Strategy had been approved in July 2023. The report included the Procurement Annual Report.

- Since the appointment of the Senior Procurement Officer, improvements across procurement could be seen, including those in behaviour and culture.
- Procurement was a key factor to Sustainability and Decarbonisation.
- KPIs would be presented at the November meeting.

The Committee **noted** the volume of procurement work undertaken throughout 2023/2024 and the clear and monitored approach in place.

Digital

CT presented the report and highlighted the following:

- The Digital Strategy had been approved in October 2023 and was underpinned by a Digital Steering Group. The Digital Link Governor (DCu) was a member of this steering group.
- There had been some challenges faced relating to integration of technology.
- Significant investment had been made to improve and develop the digital offer, including the WiFi upgrade which linked with improving the experience for learners.
- Improvements to the Intranet and SharePoint were needed, however this also linked to cultural change across the College.
- KPIs would be presented at the November meeting.

JMc provided his initial thoughts since his appointment, noting that:

- The WiFi upgrade was being finalised with a final survey planned to ensure this was working as expected.
- There was need for IT to support the digital vision of the College and this would include culture changes across the organisation to ensure the IT team could support future needs and be more proactive with horizon scanning of future projects.
- Following improvements in reporting, there would be clearer financial reporting to ensure added value at project level.

The Committee **queried** the approach and potential vulnerabilities of cyber security. JMc suggested that the risk relating to cyber security would be considered further in terms of creating separation between high probability and low impact events, in comparison to low probability and high impact events. It was noted that improvements / changes to current working practices could increase risk probability until confidently embedded. JMc noted that the IT Team had recently attended a Cyber Security Summit and were expecting a journey of risk management and culture change to strengthen this area.

The Committee **queried** if the College had insurance in place in the event of a cyber attack. It was confirmed that insurance was in place and it was agreed JMc's would be able to provide an update on the terms of the insurance cover for the next meeting.

Action: CT / JMc to review level of insurance in place for cyber attacks and report back to the November 2024 meetings.

The Committee **noted** the progress made to date and **agreed** the proposed strategic priorities for 2024/2025 for the Finance, Procurement and Digital strategies.

The report was noted.

JMc left the meeting.

6.3 Strategic Progress Update - Strategies in Development

JC and NH presented the report and highlighted the following:

Sustainability

NH presented the report and highlighted the following:

- A first draft of the Sustainability Strategy was presented for initial governor comment.
- A decarbonisation workshop had been held during 2023/2024 and VB was able to attend this. This session considered the shared vision of decarbonisation across Gateshead. An initial decarbonisation plan had been drafted and shared with the Sustainability Link Governor (DB) and CF for comment and feedback. The next steps were for this to be considered by the Executive Team ahead of bringing to a future Committee meeting.
- Sustainability was a whole college approach, and the proposed strategy linked to the areas of Curriculum, Campus, Culture and Community. Each area would be led by a member of the Executive Team.
- Work was ongoing with SmartCarbon to identify baseline data to allow the development of KPIs. KPIs would be presented at the November meeting.

Brand and Marketing

NH presented the report and highlighted the following:

- A first draft of the Brand and Marketing Strategy was presented for initial governor comment. This had been shared with SMC in advance with initial feedback provided.
- Research had been undertaken to help develop the strategy in relation to market position, awareness and perception.
- KPIs would be presented at the November meeting.

Estate

JC presented the report and highlighted the following:

- The Estates Session held directly ahead of the Committee meeting would help inform the development of the strategy. Supporting data was being collected and analysed. An external consultant was being utilised to ensure stakeholder consultation.
- KPIs would be presented at the November meeting.

The Committee **discussed** the number of KPIs being developed across the 6 strategies presented upon and **agreed** there needed to be connectivity and interdependency between the strategies to successfully underpin the College Strategic Plan. There was a discussion around the difference between key indicators and success indicators. The Committee **noted** that some of the proposed objectives related to operational tasks of the College.

The Committee **sought reassurance** that there would be collaboration when reporting on strategic progress where there was interdependency with other underpinning strategies.

The Committee **noted** the evolution of reporting and the need to ensure reporting was at a strategic level to allow the Committee and Board to understand the progress against the overall College Strategic Plan. Board level KPIs continued to be reported and would be reviewed in progressing the strategies under development.

The Committee **noted** the progress made to date and **agreed** the proposed strategic priorities for 2024/2025 for the Sustainability, Brand & Marketing and Estate strategies.

The Committee were asked to follow up with NH with any additional comments relating to the initial draft strategies of Sustainability and Brand & Marketing ahead of seeking recommendation for Board approval. **Action: Committee members to provide any feedback on the Sustainability and Brand & Marketing strategies ahead of seeking recommendation for Board approval.**

The report was noted.

F/275 7. Learner Support Funds

DH joined the meeting.

JC presented the report and provided an overview of learner support funds, covering the different funds available and the guidance for each. DH noted that funds were used to support learners with travel, food, course related costs and equipment. The Gateshead College Foundation were also able to fund trips, experiences, initiatives and activities for those in financial need.

The increase in enrolment for 2024/2025 had a significant impact on the funds available. The College continued to subsidise the catering offer as well as increasing the free college meals limit to £4 per day. It was noted that the catering offer could be improved to ensure better quality. This was being explored internally.

The Committee **queried** how the impact of learner support funding was measured. It was noted that this funding supported learners to attend college and have a positive learner experience however there weren't any specific measures surrounding this. The Gateshead College Foundation did receive reports and learner feedback relating to funding they granted. The Committee **agreed** that this was difficult to measure, however noted that it was important the College ensured money was well spent. The Committee were reassured that bursary funding for learners stopped if they stopped attending college, and checks were in place to monitor this.

The Committee **queried** the growth in learner numbers beyond the original 2024/25 business plan. It was confirmed that as per the College's robust business planning, additional learners had been expected however the actual enrolments were significantly higher than expected. In some departments, additional learners were

easier to resource however there were challenges in some areas and this was being responded to. A large number of learners required Maths and English.

Funding for additional learners was lagged, and therefore the College wouldn't receive full funding for these additional learners until 2025/2026 although there may be possibility for in-year growth funding. The DfE had advised in guidance of 21 August 2024 that any in-year growth funding would not be confirmed until February 2025.

JC provided the Committee with a summary of financial modelling, noting that additional roles were required, relating to teachers, learning facilitators and support staff, to accommodate the growth in learners. Non-pay costs would also increase with significant additional demand on learner support funds. The College had already supported learner support funds with an additional £250k. The modelling has been shared with ESFA/DfE and Barclays and assurance sought around in-year growth funding and performance against loan covenants. Although there is some uncertainty around the detail of of in-year growth funding the responses from the ESFA/DfE and Barclays to the scenarios presented was broadly positive.

DA noted his prior conversations with the Chair of the Board, agreeing the position to remain accessible and inclusive for learners, and therefore recruiting additional learners for 2024/2025 where there was demand. Expected growth had been highlighted with the ESFA / DfE as part of the Annual Strategic Conversation, however growth had been even more than originally anticipated.

The Committee **noted** that the report provided a good summary and helpful context of funding to support learners.

The report was noted.

DH left the meeting.

F/276 8. Finance Report

JC presented the report and highlighted the following:

- The July 2024 Management Accounts had been included and reported an outturn as expected and previously reported to the Committee.

The Committee **approved** the July 2024 Management Accounts for presentation to the Board.

- The Finance Team were preparing the Annual Accounts and Financial Statements for the year ended 31 July 2024. This document would be considered through the Joint Audit and Finance & General Purposes Committee meeting in November 2024, ahead of being submitted for approval at the December 2024 Board. The Financial outturn was expected to be consistent with reporting.

- The report noted small changes to the Board approved Subcontracting Plan 2024/2025. Neither change impacted on the Board approved Budget.

The Committee **recommended** the updated Subcontracting Plan 2024/2025 for Board approval.

Action: JC to seek Board approval of the updated Subcontracting Plan 2024/2025 as part of the Finance Report at the November 2024 Board meeting.

The Committee **queried** if costs were increasing greater than income. It was noted that the pay:income ratio was increasing however there was also steady income

growth and the College financial turnover had increased. The level of pay:income would continue to be monitored closely.

Action: JC / PF to follow up outside of the meeting.

The report was noted.

F/277 9. Committee Terms of Reference and Work Plan

NT presented the report noting that this would be a standing item as a reminder to the Committee of their remit and proposed work plan for the year.

Following Board approval of the Terms of Reference in July 2024, an amend had been suggested to cover the work of the joint Audit and Finance & General Purposes Committee.

The Committee **recommended** the addition for Board approval.

Action: NT to seek Board approval of the updated Finance & General Purposes Committee Terms of Reference as part of the Corporation Matters Report at the November 2024 meeting.

The report was recommended.

F/278 10. Any Other Business

N/A

F/279 11. Date of the next meeting

The date of the next meeting was confirmed as Monday 25 November 2024 at 9.30am.