



Agenda No: 02

Finance & General Purposes Committee – Main Minutes

Friday 14 March 2025 – 9.00-11.00am

Gateshead College Boardroom

Committee Members	Type	Initials	Attendance	Apologies
Martin Hedley	Chair / Independent Corporation Member	MHe	X	
David Brind	Independent Corporation Member and Vice Chair of the Committee	DB	X*	
David Alexander	Principal / CEO Corporation Member	DA	X	
Darren Curry	Independent Corporation Member	DC	X	
Dan 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	
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^	
David Keetley	Financial Controller	DK	X^	
Steve Collingwood	Facilities Manager	SC	X^	
Matthew Hirst	External Consultant	MHi	X*^	

*Attended via Teams / ^Attended for part of the meeting.

F/292 Closed Session - Governors Only

Covered under a confidential minute

F/293 1. Chair's welcome, apologies, conflicts of interest

The Chair opened the meeting and welcomed the attendees. The Chair noted that MHi was attending the meeting to support the presentation of the items relating to the College's estate.

There were no apologies to report. 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.

F/294 2. Minutes of the last meetings dated 25 November 2024 and 24 February 2025

- A) The Committee **reviewed** the main minutes from the 25 November 2024 and **agreed** that they were a true and accurate account of the meeting.
- A) The Committee **reviewed** the confidential minutes from the 25 November 2024 and **agreed** that they were a true and accurate account of the meeting.
- B) The Committee **reviewed** the confidential minutes from the closed session on 25 November 2024 and **agreed** that they were a true and accurate account of the meeting.
- C) The Committee **reviewed** the confidential minutes from the 24 February 2025 and **agreed** that they were a true and accurate account of the meeting.

The minutes were approved.

F/295 3. Matters Arising / Action Log

NT presented the action log and provided the following updates:

- Sustainability KPIs relating to the pillar of Campus were suggested as part of the meeting agenda. KPIs relating to Culture, Curriculum and Community were to follow. This would remain an ongoing action until completed.
- The Estate Strategy was ongoing with the opportunity for governors to feed into this. This would remain an ongoing action until completed.
- Outstanding financial queries were due to be covered as part of this meeting along with the supporting papers as part of this agenda. This action would be marked as closed.
- Digital Strategy KPIs were suggested as part of the meeting agenda. This action would be marked as complete.
- SC had been actioned with adding additional narrative to the Streamlined Energy Carbon Reporting (SECR) ahead of publication on the College's

website by 31 March 2025. This would remain an ongoing action until completed.

- All other actions had been closed or completed as reported.

The report was noted.

F/296 4. Strategic Risk Register

DA presented the report highlighting the following:

- The top risks relating to the remit of the Committee were the College's Financial Health as rated by the Education and Skills Funding Agency (ESFA), the threat of a Cyber Attack and the recent changes relating to the Gateshead International Stadium.

CT noted that Cyber had been discussed at length at the Digital Steering Group, and the proposed risk appetite for this had been reduced due to what's possible within the College's resources.

- The Executive Team had recently considered the risk appetite of each risk and had made some suggested amends for recommendation through the Audit Committee and approval by Board. The Committee were asked to support these amends where they related to the risks of the Committee. Recent governor feedback had been that further consideration was needed around appetite relating to risk upside and downside. This would be discussed at the upcoming Audit Committee.
- Contracts for Internal and External Audit were being tendered with the outcome due to be recommended through Audit Committee the following week ahead of seeking Board approval. The College would be looking to draft the Internal Audit plan for the next 3-year cycle and asked the Committee to suggest any areas for consideration.
- Further work was to be undertaken on the horizon scan element of the risk register, with this presently being an extension of current risks with the need to be more forward / future focussed.

The Committee **noted** the potential changes in the sector and recent government announcements relating to funding.

The Committee **discussed** and **queried** the following:

- The strength of the future controls to treat the risk relating to cyber, challenging that future controls were to consider options rather than take specific action. CT noted the cost and resource implications of additional mitigations and therefore these needed to be considered in the first instance ahead of agreeing any future action.

The Committee **queried** the likely level of investment to strengthen controls and CT suggested this would be significant and would still not prevent human error. It was suggested investment could be focussed within the area of business continuity, specific to cyber, to ensure the College would be able to act quickly and proactively to any potential cyber-attack.

Action: CT / Digital Steering Group to consider the level of business continuity planning in relation to a potential cyber attack and the readiness to act to respond to this.

The Committee **took assurance** from the work of the Digital Steering Group in considering this risk in greater detail.

The report was noted.

F/297 5. Estates Strategy

5.1 Estate Strategy Discussion

DA introduced this item, noting the impact of the Office of National Statistics (ONS) decision to reclassify colleges into central government on external borrowing, and this having a detrimental impact on capital planning and funding. Funding was expected through the Department for Education (DfE) however this was likely to be based on estate condition. The College's estate was in a good condition, however not best placed geographically. The College had grown in learner numbers and available space was not being better utilised. The Estate Strategy was to set out principles for future consideration. The document met the requirements of the DfE.

SC presented the paper and highlighted the following:

- The College's last estate strategy was written in 2021 and linked to rationalisation following financial recovery. A refreshed strategy was now needed.
- Work had been undertaken to consider the estate's functional suitability, cost to run and operational efficiency. The College was in a good condition, at Condition B. This would potentially be a barrier to securing funding from the DfE going forward under the new funding methodology, given other colleges potentially in greater need based on condition.
- Since the 2021 strategy, the College had secured funding relating to sustainability, efficiency and upgrades.
- For future learner growth, the College still had sufficient floor space however space utilisation would be improved. The College would potentially consider further rationalisation of estate if funding was available. This would be to better support travel to learn patterns and to prevent differences of experience across the College sites.
- The strategy would be used to identify short term and long term capital investment proposals and to further consider functional suitability.

MHi added that in the absence of a national policy framework it would be difficult to set out options to explore, however the College had made significant improvements in space utilisation. The College weren't yet meeting the proposed metrics however caveated that this was difficult for colleges to achieve due to their nature. The strategy provided assurance that the estate is being well managed.

The Committee **took assurance** from the positive position relating to the College's condition and **supported** the work of options being explored on the basis funding would be made available, ensuring links with the College's sustainability and curriculum aspirations.

It was noted that the College were working to improve the parity of learner experience across all sites, with the differences being recognised. A recent learner voice theme from the Student Leadership Group was the want to feel more connected as a College across each of the sites and the College were keen to explore this further. Catering was a recognised challenge in terms of parity of the offer across each site, noting the difference in resources / facilities.

The Committee **commended** the College's aim to have parity of experience across each of the sites and **encouraged** the College to consider the educational plan, learner journey, staff requirements, and community / partner needs of the future in terms of considering future options for the estate.

The Committee **noted their thanks** to SC and MHi for their work on this area.

The report was noted.

MHi left the meeting.

5.2 Update on all College Leases

SC presented the report highlighting the following:

Covered under a confidential update.

The report was noted.

5.3 Revised Energy KPI

NH presented the report and highlighted the following:

- The College continued to work with Smart Carbon and had developed proposed KPIs relating to the pillar of Campus to track progress, alongside utilisation of data monitoring via the Smart Carbon platform.
- The proposed KPIs had been discussed at the Green Steering Group, with cognisance that there continued to be a large range of external factors outside of the College's control.
- The aim of the KPIs were to evidence progress of reduction of emissions year on year.
- KPIs relating to Culture, Community and Curriculum would follow.

The Sustainability Link Governor (DB) provided reassurance of the work of the Green Steering Group, noting the level of work undertaken, and the expected non-linear approach to progress year on year.

The Committee **discussed** the ladder of achievement to the College's target of net zero towards 2050 and whether annual KPIs allowed clear monitoring towards this. NH confirmed that the KPIs would support the College's decarbonisation plan which set out longer term targets of achieving this goal.

The Committee **approved** the proposed KPIs, noting that these KPIs would need to be considered alongside estates / capital plans.

The Committee **agreed** for the KPI relating to overall energy emission reduction to be reported at Board level.

Action: NH to report overall energy emission reduction at Board level.

The report was noted.

Item 8.1 taken at this point.

F/298 6. Digital Strategy KPIs

CT presented the report, proposing 3 suggested KPIs to allow the Committee to monitor the progress of the Digital Strategy. The KPIs had been discussed at length through the Digital Steering Group, with the Group considering a range of different

KPIs, including capital spend and service desk metrics. 3 KPIs had been suggested at this stage, however further KPIs would be suggested as progress towards the strategy was made and through the maturity of approach.

CT noted that the College had undertaken a phishing simulation and further information regarding this would be brought back to the Committee. CT confirmed that the outcome of this was positive with a large number of staff questioning the attempt.

Action: CT to report back to the Committee on the outcome of the College's recent phishing simulation.

The Digital Link Governor (DC) provided reassurance of the work of the Digital Steering Group, and noted there had also been discussions of KPIs relating to user satisfaction / experience.

The Committee discussed and queried the following:

- The allowance for a device to be older than 4 years – CT noted that the College had a device refreshment plan in place however it was easy for devices to age with restrictions on investment, although noted that the College had a significant investment in IT and Digital on an annual basis. It was noted that device age may need be stretched where there were other areas of IT / Digital were a priority. It was confirmed that this was specific to end user devices rather than infrastructure.
- The transactional nature of the proposed KPIs and welcomed consideration of future KPIs, considering what devices might look like in future years and more strategic in nature.

The Committee approved the proposed KPIs, noting the financial implications and potential investment needed to drive this work forward.

The Committee agreed for the Device Age KPI to be highlighted at Board level, replacing the current KPI relating to capital investment in IT.

Action: CT to report Device Age at Board level.

The report was noted.

F/299 7. Business Development and Skills Bootcamps Update

IJ presented the report highlighting the following:

- The paper built on a recent report to the Curriculum and Quality Standards Committee setting out additional information relating to opportunities and challenges.
- The College were currently delivering 2 bootcamps, one with the DfE and one with NECA across a number of sectors. The College had considered learning from recruitment / demand challenges across a range of areas and the North East Combined Authority (NECA) contract had been reduced in cognisance of this.
- NECA had recently announced an opportunity to extend the College's existing contract for a further year ahead of NECA receiving a single settlement of adult skills funding. The funding of this would be based on the delivery across 2025/2026. The Executive Team were currently evaluating the College's and partners' capacity to determine the appropriate scale of

future delivery. As this was an opportunity at this stage, this had not been factored in to future finances however this would create additional funding.

The Committee **noted the helpfulness** of the paper, setting out the opportunities and challenges faced.

The Committee **discussed** and **queried** the following:

- The option to extend the current NECA contract and whether this aligned with the College's core business, specifically querying the links with employment edge when progress can be low. CT confirmed that progress was positive in comparison to national rates and the College were facing challenges with employers not being able / willing to offer progression opportunities following completion of the programmes. This challenge had been raised with NECA.
- External factors, the volatility of provision, financial funding between milestones, quality of provision and resource. It was agreed that these were all areas the Executive Team continued to consider.
- Current growth in 16-18 full time provision and the impact of additional bootcamp delivery over and above this.

The Committee **supported** the exploration of a contract extension subject to consideration as to the potential impact of this on current provision and resource.

It was confirmed that the Board would be asked to consider growth / curriculum provision at the April 2025 Board meeting

The report was noted.

F/300 8. Finance Report

Item taken after 5.3

8.1 Electricity Tender Recommendation

SC presented the report setting out the tender recommendation following procurement via the North East Procurement Organisation (NEPO) framework.

The Committee **challenged** the use of this framework instead of securing a contract directly with an energy provider. SC suggested that this framework allowed the College to benefit from economies of scale.

The Committee **discussed** and **queried** the following:

- The benefits of cost saving across the NEPO framework.
- The possibility of leaving the contract mid-term – SC confirmed that this was possible however the agreement did set out a penalty clause for doing so.
- The comparison of rates against the district energy supply – SC suggested this varied by the nature of the markets.
- Any potential penalties relating a change in consumption – SC suggested that due to the Colleges consumption being so small in relation to the overall contract, this was unlikely.

The Committee **recommended** the Electricity Tender Recommendation for Board approval.

Action: NT to seek Board approval of the Electricity Tender Recommendation electronically ahead of 31st March 2025.

SC left the meeting.

Item 6 taken at this point.

8.2 Finance Report

Item taken after 9.1

DA presented the report, highlighting the recent funding announcements directly impacting the College and that further information was still awaited.

- The College would now receive less 2024/25 in-year growth money than the guidance suggested in August 2024.
- There would be an increased 16-18 funding rate for 2025/2026.
- There was an expectation that the £50m grant would be applied to the sector by July 2025, further information on this was expected in May 2025.
- Further information was awaited around funding for the National Insurance Employer's contribution increase.
- Further information was awaited around in-year growth funding for 2025/2026.

This was a challenging position for the FE sector, and the recent funding announcements would have a detrimental impact on finances across colleges.

DA noted that the report set out the updated position based on the above, which assumed a break-even position. A prudent view had been applied to bursary funding, with it being assumed the College would only receive half of the additional amount it had invested to support additional 16-18 learners, and therefore there was potential upside to this. To reach a breakeven position, the College had made some saving without having a detrimental impact to normal business operations. In terms of the modelling of scenarios within the accounts, the College were confident they were not at the position of the very pessimistic or pessimistic view. The College were confident in achieving a Good financial health as rated by the ESFA and meeting all bank covenants.

Covered under a confidential item.

Based on recruitment, the College were expecting further growth in learner numbers for 2025/2026. The College's wish would be to welcome and support additional learners however noted constraints around funding to appropriately resource this. It was expected there would be growth in all areas across the College based on current 2025/26 recruitment numbers, including skills priority areas. DA had recently written to the College's local MP to set out these challenges.

The Committee **noted** the opportunity and challenges around further learner growth, specifically referencing the College's decision between what would potentially be a requires improvement ESFA financial health score to allow the support for future learners and the community. It was **agreed** that this discussion would be followed up as Board level as part of the planned growth discussion.

The Committee **offered their support** as a sounding board whilst the College modelled potential options and scenarios.

The Committee **queried** the Association of Colleges' (AoC) role in highlighting the sectors funding needs and current cost pressures.

The report was noted.

F/301 9. Policies to recommend for Board approval

9.1 Tuition Fee Policy 2025/26

Item taken after Item 7.

NT presented the revised policy noting that minimal changes had been made as part of the annual review, including:

- Addition of references to the North East Combined Authority.
- Change in term from Adult Education Budget to Adult Skills Budget.
- Updated supporting links.
- An additional section relating to Skills Bootcamps.
- An additional section relating to HE fees for hybrid, fast-track day release provision for employer sponsored HE students.

The Committee **recommended** the Tuition Fee Policy 2025/2026 for Board approval.

Action: NT to progress Tuition Fees Policy for Board approval.

IJ and CT left the meeting.

Item 8.2 taken at this point.

F/302 10. Any Other Business

N/A

F/303 11. Date of the next meeting

The date of the next meeting was confirmed as Friday 23 May 2025 at 9.00am.