



Agenda No: 04

Finance & General Purposes Committee – Main Minutes

Friday 22 May 2026 – 9.00-11.00am

Online Meeting

Committee Members	Type	Initials	Attendance	Apologies
Martin Hedley	Chair / Independent Governor	MH	X	
David Brind	Independent Governor	DB	X	
David Alexander	Principal / CEO and Governor	DA	X	
Darren Curry	Independent Governor	DC	X	
Rachel Leech	Staff Governor	RL	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-Mosley	Director of Governance & Compliance	NTM	X	
Attendees				
Vicky Cross	Acting Deputy Principal Curriculum & Quality	VCr	X^	
Ivan Jepson	Director of Business Development & Innovation	IJ	X	
David Keetley	Financial Controller	DK	X	
Kelly Officer	Head of Estates and Facilities	KO	X^	

^Attended for part of the meeting.

F/356 1. Chair’s welcome, apologies, conflicts of interest

The Chair opened the meeting and welcomed the attendees.

No apologies were received however there was no attendance from CF. The Committee **agreed** the meeting was quorate.

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

F/357 2. Minutes of the last meeting dated 13 March 2026

The Committee **reviewed** the minutes from the meeting on 13 March 2026 and **agreed** that they were a true and accurate account of the meeting.

The minutes were approved.

F/358 3. Matters Arising / Action Log

A) It was noted that following on from the March 2026 meeting, the Committee electronically approved an updated paper relating to the increased cost of the IT hardware tender.

B) The College had received confirmation from the DfE regarding the College's Financial Health for 2024/2025. The letter had been included in the meeting pack for information.

C) Action Log

NT presented the action log and highlighted that progress updates had been included within the report. There continued to be an overdue action around purchase orders needing to be set up in advance of invoices being received. Work to improve this position was ongoing.

RL provided an update on KPIs relating to the Sustainability Strategy, suggesting that an update would be provided at the June 2026 Committee meeting following the next meeting of the Green Steering Group. *Post-meeting note: Sustainability KPIs to be provided as part of the Sustainability Annual Report in September 2026.*

The Committee **agreed** for any actions which would become business as usual to be removed from the action log.

The report was noted.

F/359 4. Review of the Strategic Risk Register

NTM presented the report and highlighted the following:

- The Strategic Risk Register had been reviewed by the Executive Team in April 2026 as part of the termly review with two changes made:
 - ER3 (people) increased due to pressures around pay / potential industrial action. This risk was covered under the People Committee remit.
 - ER5 (funding) decreased following further review of probability and impact. This risk was covered under the FGP Committee remit.

The Committee **discussed** the reasoning behind the reduction in the scoring of ER5 and, while understanding this, **noted caution** around the potential impact of this risk. DA noted that this had been considered as part of the Executive Team review and was a true reflection of the scoring being applied to the risk. The Committee **agreed** to monitor this.

The report was noted.

5. Estates

IJ and KO presented a report and supporting presentation which covered the following:

- Capital planning based on 2022 condition survey outcomes.
- Capital works for the next 3 years, including upcoming tenders coming to the Committee for recommendation / approval.
- An update on estate-related projects linked to financial and operational efficiency and improvement.
- The implementation of the CAFM system and the improved reporting and data collection this was expected to facilitate.

IJ noted thanks to VB for supporting KO in bringing her skills and expertise as co-opted governor.

It was confirmed the tender process for the summer works was still ongoing and the Committee would be requested to consider the tender outcome via electronic means, with the hope to mobilise the contract quickly. The Committee **recognised** the pressurised period of having works undertaken during the summer period to prevent disruption to learner experience. KO confirmed the College was working with a consultant to support this project, providing advice and technical support. One main contractor would be appointed. Consideration was taking place as to any works which could be carried out during the October / November 2026 half term if needed. The Committee **requested** to be kept up to date on any project delay or increased costs. KO provided assurance that works for Summer 2027 were being planned and progressed at the start of the 2026/2027 academic year. **Action: IJ / KO to keep Committee updated on summer works regarding any delay or increase in costs (September 2026)**

The Committee **thanked** KO for the comprehensive report providing strong assurance and transparency.

IJ confirmed capital funding had been secured through the Construction Technical Excellence College (TEC), led by Education Partnership North East (EPNE). The College was required to submit a business case by 10 June 2026 to support the bid for funding.

Action: DK / IJ to pick up accounting of CTEC funding (June 2026)

Action: IJ to provide further information regarding CTEC bid (following June submission) (June 2026)

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

- Engagement with staff and learners – it was confirmed there would be clear communication plans in place and engagement was taking place where appropriate.
- The timescales for the Academy for Sport lease – it was confirmed this would be followed up.
Action: IJ / KO to provide an update of timescales / planning for Academy for Sport Lease (June 2026).
- The positive increase in space utilisation – it was suggested this was due to increased learner numbers however data collection needed to be improved to ensure consistency. The Committee was asked to consider the extension of the lease of Baltimore House which was currently housing approx. 60 office staff. The Committee **recommended** the extension of the lease for

Board approval, recognising that improved data collection of space utilisation could impact the need for the lease in future years.

Action: IJ to progress Board approval of extension of Baltimore House lease following FGP approval (July 2026)

Covered under a confidential minute.

DB left the meeting.

IJ confirmed the catering tender process was being finalised. NTM confirmed that although the contract was zero-based, previously the contract had been submitted for Board approval due to the notional total value, and this tender would follow the same process. The Committee would be requested to consider the tender outcome via electronic means.

The report was noted.

DB rejoined the meeting. KO left the meeting.

6. Finance Report

F/361

6.1 Management Accounts and Committee KPIs

DK presented the report and highlighted the following:

- The College continued to be ahead of the Adult Funding delivery profile agreed with the North East Combined Authority. The College remained confident that it would fully utilise its allocated Adult Funding.
- The College remained ahead of its year to date budget target for apprenticeships, with good progress in timely achievement rates and a continued focus on higher-value apprenticeships.
- The College had almost fully achieved its full year forecast for Bootcamps. The contract ended on 31 March 2026, with only progression payments to be claimable.
- The College reported a positive surplus after eight months, compared to a budgeted deficit.
- The DfE had confirmed 75% of in year growth funding for 16-18 learners above the 100 additional learner threshold. This was estimated to provide an additional c£471k to the College. This had resulted in an improved pay:income ratio.
- The College had been successful in securing £1m of 'Skills for Green Jobs' funding. Delivery was scheduled from 24 April 2026 to 31 March 2027. The forecast impact for 2025/26 was income of £250k, partner costs of £200k, and an additional surplus of £50k.
- The timing of the Committee approved IT hardware tender had impacted the 2025/2026 capital expenditure profile. This was a deliberate decision to enable works to be undertaken during the summer period and minimise disruption to learners.
- The College's financial health remained strong, with good headroom against bank covenants.

The Committee was appreciative of in-year growth funding for additional 16-18 learners however, it noted its disappointment at the late notification and not being awarded the full amount. The Committee **supported** the College's position of being prudent in not including any in-year growth funding in the budget. The Committee

noted its previous discussion and decision to approve a deficit budget to continue to support learners and expressed its dissatisfaction that this was not fully funded.

The Committee **sought assurance** of the cash days in hand remaining as forecasted and there being no cash days in hand at month end of less than 31 days, as per the Board approved Reserves policy. DK confirmed the low point was 35 days.

The Committee **approved** the March 2026 management accounts for presentation to the Board.

The report was noted.

F/362 6.2 Pensions Annual Report 2025/2026

DK presented the report and highlighted the membership and employer contributions of the Teachers' Pension Scheme (TPS) and the Tyne & Wear Local Government Pension Scheme (LGPS) as of 31 March 2026, noting stable overall participation rates.

For LGPS, the employer contribution rate had decreased to 13.6% following a triennial evaluation to 31 March 2029, as approved by the Board.

For TPS, the employer contribution rate had increased from 16.48% to 28.68% in the period since March 2019. This was a significant increase however, it was currently offset through the Teachers' Pension Scheme Grant. Receipt of the grant beyond July 2027 had not been confirmed and there was an ongoing revaluation with effect from April 2027.

The report also included information on the National Employment Savings Trust (NEST) scheme, used by PlanBEE apprentices employed through the College's subsidiary, the North East Apprenticeship Company (NEAC).

The report was noted.

F/363 6.3 Update to Lease Accounting

DK presented the report setting out an update to the Committee on the new lease accounting requirements, and the potential impact on the College. DK confirmed that discussions had taken place with the College's External Auditor and that follow-up discussions would take place with the bank. DK set out that guidance was awaited from the DfE as part of the College's Financial Handbook, published for 2026/2027. At this stage, the College was not expecting the changes to impact the College's Financial Health.

The Vice Chair of the Committee (DB) confirmed he had met with DK in advance of the paper being provided to the Committee and was assured by the preparatory work being undertaken. DK thanked DB for his support.

The report was noted.

F/364 6.4 Budget Preparations 2026/2027

DK presented the report and highlighted the following:

- The forecast of additional 16-18 learner numbers of approximately 250, with 150 expected at the Baltic Campus. DK provided assurance that the College had considered constraints around space, timetabling and staffing to ensure additional learners could be accommodated. Learner number growth was

expected across the curriculum. As per previous years, no assumption of in-year growth funding was to be included in the budget as a matter of prudence.

- At the recent DfE Annual Strategic Conversation, the DfE had challenged the College's pay:income ratio and suggested monitoring this to a downward trajectory. The workings of the budget provided a challenge to meet the FE Commissioner benchmark of 65%, although the College continued to closely monitor this.
- A number of assumptions had been made as set out within the report. A finalised budget would be presented to the Committee in June 2026 for recommendation for Board approval.

In relation to the Estates item covered earlier in the meeting, the Committee **noted** the areas identified for inclusion within the Estates non-pay budget for 2026/27. These areas would be reflected in the detailed budget proposals with the finalised budget being presented at the June 2026 meeting. The key areas highlighted were:

- Building plans
- Room utilisation
- Condition surveys
- Project management
- Development of a £1m Construction Centre of Excellence (CTEC) capital project
- Estates development
- Digitisation of systems

The Committee also **noted** that a number of funding assumptions remain fluid and will require further clarification as the budget is developed, including:

- *Covered under a confidential minute.*

It was **agreed** that updates on these areas would be brought back to the Committee, with further detail provided alongside the full 2026/27 budget for consideration.

The Committee **recognised the challenge** of considering pay awards with no funding increases whilst also trying to maintain / reduce the pay:income ratio. The Committee **discussed** potential considerations such as outsourcing provision and increased class sizes however recognised the potential negative impact on learner experience and outcomes.

The Committee **recognised** the strong position the College was in and reiterated the continued focus on learner experience, creating space for learners to prevent NEET, and supporting those in high areas of deprivation – all key elements of the College's core purpose. The Committee **supported** the College to continue with the College's strategy and objectives, although still recognising the challenges the College faced.

The Committee **requested** additional scenario planning / sensitivity analysis when the budget was presented to set out options and risks for consideration.

Action: DK to include scenario planning / sensitivity analysis as part of the presentation of the 2026/2027 budget (June 2026)

The report was noted.

F/365 7. Finance and General Purposes Committee Terms of Reference 2026/2027

NTM presented the updated Finance and General Purposes Committee Terms of Reference for 2026/2027 following review by the Governance Committee. Only minor amendments were proposed, as set out in the report.

The Committee **recommended** the Committee's Terms of Reference for 2026/2027 for Board approval.

Action: NTM to progress the FGP Terms of Reference for 2026/2027 for Board approval.

The report was recommended.

F/366 8. Any Other Business

Interim Appointment of Deputy Principal Curriculum and Quality

It was noted that VCr had been temporarily appointed as Deputy Principal Curriculum and Quality.

Appointment of Deputy Principal Finance and Resources

It was noted interviews had taken place for the appointment of the Deputy Principal Finance and Resources and the Selection Panel's recommendation was being progressed for Board approval. The Chair of the Committee provided assurance of the robustness of the interview process.

The updates were noted.

F/367 9. Date of the next meeting

The date of the next meeting was confirmed as Monday 22 June 2026 at 1.00pm.