



Finance & General Purposes Committee
Friday 31 March 2023 – 10am to 12pm
Main Minutes

Committee Members	Type	Initials	Attendance	Apologies
Martin Hedley	Chair / Independent	MH	X	
David Alexander	Principal / CEO	DA	X	
Gareth Edmunds	Independent	GE		X
Alan Potter	Independent	AP	X	
David Brind	Independent	DB	X*	
Sharon Kinleyside	Staff	SK	X	
Clerk				
Nicola Taylor	Director of Governance & Compliance	NT		X
Attendees				
Jeremy Cook	Deputy Principal: Finance & Resources	JC	X	
Ivan Jepson	Director of Business Development & Planning	IJ	X	
Nadine Hudspeth	Director of Brand & Learner Experience	NH	X	
David Keetley	Financial Controller	DK	X	
Suzanne Clark	Corporate Administration Manager	SC	X	

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

F/162 1. Chair’s welcome, apologies, conflicts of interest

The Chair opened the meeting and welcomed the attendees.

Apologies were received from Gareth Edmunds. The Committee agreed that the meeting was quorate. It was noted that SC was in attendance to taking meeting minutes in the absence of NT.

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

A change to the running order of the agenda was agreed with the Marketing and Communications update to be received first.

F/163 2. Minutes of the last meeting dated 1 February 2023

A) Main meeting minutes

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

B) Confidential meeting minutes

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

The minutes were approved.

F/164 3. Matters Arising / Action Log

The Committee **reviewed** the action log and it was **noted** that all actions were closed / completed apart from the action relating to estates capital grant funding proposals and JC confirmed that an update will be provided to the Committee at the meeting in June.

Action: JC to provide an update at the June Committee meeting regarding estates capital grant funding proposals.

The action log was noted.

F/165 4. Marketing and Communications Update

NH presented the report and highlighted the following:

- The contribution of marketing and communications to the delivery of all four of the College's strategic priorities.
- Investment in marketing activity that has an impact.
- Strategic branding activity. A perception survey is planned to take place at the end of the academic year.
- Progress against operating plan priorities.
- Activity, campaigns and work taking place to secure opportunities for learners around employment edge.
- Progress on the tender process for a new College website.
- Measuring the impact of activity.
- Media coverage. An article recently printed in the trade press on PlanBee was shared.

The Committee discussed the following:

- KPIs are very challenging to define in this area. The College has access to a wealth of rich information that informs marketing activity and members understood the importance of having followers who can act as brand ambassadors.
- In relation to how data is pulled together, NH indicated that there is a need to consider how data is used to provide insights that will drive future investment. The Marketing and Communications team will be looking at how analytical data is pulled together to ensure that investment is made where it will give the most value and have greatest impact.
- The College has used TikTok as a channel and its use is being considered cautiously. There has been no guidance issued to colleges from central government following ONS reclassification, on the use of TikTok as a platform. Future use will be considered as part of the College's digital strategy and risk

register review. It was recognised that there is a need to have balance between threat and opportunity, which is a challenge.

- The Committee was **encouraged** to see a range of communication channels being used for different audiences. NH advised that the College currently uses sprout social to measure interaction with social channels however it is planned to build new measures in as part of the new website build.
- The Committee **welcomed** such a comprehensive report outlining the need to ensure communications are appropriate for different stakeholder groups. There is a clear understanding of how important the College is to the local community and consideration of what the College brand means to different groups.
- NH confirmed that a great amount of thought is given to the communication approach for different stakeholder groups, depending on what the College was targeting. This very much links back to the College strategic plan and business plan, and looking to ensure resources are invested in the best way.

NH left the meeting at 10.25am.

The report was noted.

F/166 5. Management Accounts 2022/2023, P7 February 2023

JC presented the Management Accounts for P7 and highlighted the following:

- The College continues to project a surplus for the year which is £50,000 ahead of budget.
- Performance against KPIs remains positive, as does performance against covenants.
- The College received validation from the DfE of the 2021/22 financial statements on 30 March 2023 which confirms the financial health status as outstanding.
- *This item is covered under a confidential minute.*
- Projections currently indicate that the forecast level of pay expenditure will be more than offset by additional income. Non-pay spend is forecast to be in line with the budget.
- The capital budget is expected to be spent in full by the end of the year.

The Committee discussed the following:

- JC confirmed, in relation to additional investment, that the Executive Team have identified additional expenditure of around £250k. Work has taken place with colleagues in curriculum teams to identify appropriate projects. The intention is to focus any investment on areas that will be of immediate benefit to delivery teams and learner, such as equipment. In addition, the College is looking to incur some additional facilities expenditure to maintain and improve the general environment.
- DA indicated that there was confidence in the ability to achieve the forecasted budgeted 2022/23 surplus. There is a clear need to invest in engineering provision to ensure that the College is able to meet employer requirements. Investment is being prioritised in areas where there are particular employer needs.
- The Executive Team are looking at a 3-year rolling programme of investment as a shift in emphasis from the current annual process. DA stressed the need to make sustained valuable investments that enhance learner outcomes.
- JC confirmed that the forecasts in the management accounts includes investment costs.
- The Committee **indicated that they would welcome** more detail at the next meeting on the forecast and elements for investment. It was agreed this

information will be shared at the next meeting. DA advised that the Executive Team have an extended meeting planned on 4 April 2023 and investment is one of the areas that will be considered.

- *This item is covered under a confidential minute.*

Action: JC to provide information on areas of additional investment at the May 2023 meeting.

The report was approved.

F/167 6. Procurement Strategy

JC presented the College Procurement Strategy and highlighted the following:

- A new full-time in-house procurement role had been created to replace the external support model previously in place and an appointment had been made to this post in January. Good progress has been made to date in reviewing the College's procurement practices and processes with this dedicated internal resource.
- The strategy includes seven objectives and outlines the underpinning actions needed to fully embed it.
- The strategy is referenced to the College strategic plan.
- An action plan is being created to clearly identify what is needed to fully implement the strategy and staff will be engaged with in relation to this.
- The Finance team are looking to give procurement a higher profile with staff and learners.
- Accountability and responsibility for the Strategy sits with JC. Progress will be reported on an annual basis to FGP and the strategy will be reviewed annually.

The Committee discussed the following:

- Work has been undertaken to analyse College expenditure. A College contract register is in place to ensure there is a map of procurement exercises that need to be run.
- In relation to technology, JC confirmed that some information is spreadsheet driven. The finance system is solid and performs adequately. The strategy includes a new objective around innovation and work will be needed in relation to this. Current processes are relatively paper free. The Finance team are currently going through cloud migration for the finance system. There is an opportunity to look at the system and areas for future investment. There has been consideration of how purchase ordering works and there is more that can be done around quotation requirements. The action plan will pick up a good deal of this activity. It is clear that students are involved, where appropriate, and the Finance team and all staff across the College will be encouraged to look to forge relationships with local suppliers and consider aspects of social responsibility.
- It was agreed to consider reporting processes in relation to new and innovative ways of working when devising requirements and specifications. JC to build this into the final version of the strategy.
- The Committee felt that the report gave a good overview of the involvement of managers in procurement. The benefit of having a full-time role within the College focused on procurement was recognised. The Executive Team have a role to play in reinforcing the concept with managers and stressing the value of community / supplier links.

Action: JC to add more detail around reporting processes to the innovation related objective within the Procurement Strategy.

The Committee recommended the Procurement Strategy to the Board for approval.

F/168 7. ONS / Financial Regulations Update

JC presented the report and highlighted the following:

- It has been 4 months since the ONS decision to reclassify colleges as a part of central government was communicated, with full implementation of the changes arising from this status change to be made over the next 12 to 18 months.
- The report gives an overview of the bitesize ONS guidance issued by the DfE in February 2023.
- Further changes will be made to the College financial regulations to pick up the contents of the guidance. Changes have been communicated, where relevant, to ensure compliance.
- There are no situations anticipated currently where DfE approval would be required.
- Concerns exist around the direction of travel, particularly in relation to the capacity to retain cash reserves and possible change of the college sector financial year end date. The College will proceed with caution and will continue to keep the Committee updated on any guidance issued in relation to the ONS change.

The Committee discussed the following:

- DA reiterated that there is a lot to consider in relation to the changes. Currently there is no clear infrastructure in place within the DfE to support any approvals required.
- A new Managing Public Money return had been received the previous day from the DfE and required the Principal to provide a range of information in relation to the nature of a number of areas covered by the DfE bitesize guidance for the period November 2022 to 31 March 2023. This requires to be completed and returned by the end of April. The questionnaire includes a section on each part of the guidance.
- The College will continue to respond as required, as more information is received.
- Another key aspect to be considered as part of the ONS changes will be devolution and how more centralised control by the DfE will sit with this.
- It was confirmed that DfE consent for indemnities relates to future items only.

The report was noted.

F/169 8. Credit Limits and Approval Process

DK presented the report and highlighted the following:

- The report was drafted in response to questions from the Committee at the previous meeting, to provide an overview of the College Finance Department's processes in relation to the assessment of risk associated with customers and suppliers.
- College debt levels are relatively small.
- Credit checking is currently carried out on a risk basis. It is proposed that mandatory credit checking takes place where a customer relationship is over £5k. This will not have a big impact on the resource of the team.
- No changes are proposed in relation to current procedures for suppliers. Annual checks currently take place in line with DfE guidance.

The Committee **noted** that credit checks would take place for customer relationships over £5k.

The report was noted.

F/170 9. Estates Update

JC presented the report and highlighted the following:

- The College is broadly on target to achieve the required reduction in consumption of gas and electricity.
- Streamlining of energy carbon reporting is moving in the right direction.
- Work is ongoing to look at how to improve ratings and costs associated with the display of energy certificates.
- An extremely strong and positive report has been received from Ideal Catering Consultancy Limited following their recent review of College catering provision. The feedback has been shared with Aramark.
- *This item is covered under a confidential minute.*

The Committee queried the following:

- Whether there is a nationwide campaign within the college sector to look at achieving net zero. It was confirmed that the College has been awarded capital grants which needed to be spent on sustainability projects however this is not part of a national or sector wide response. DA advised that NH was currently leading on work to meet the net zero target, using the DfE climate change roadmap.
- *This item is covered under a confidential minute.*

Action: *This item is covered under a confidential minute.*

The report was noted.

F/171 10. Strategic Risk Register

JC presented the report and highlighted the following:

- The register has been updated to give clarity on the treat or tolerance approach applied to risks. There are four risks being actively treated and there are controls in place for any risks being tolerated.
- It has been confirmed that the College has exited Post Intervention Monitoring (PIMs) meaning this risk has been mitigated and eliminated.
- The Ofsted risk will be reconsidered on receipt of the formal/final report. Discussions are currently taking place around how to best replace the risk with focus on the quality of curriculum provision. A draft of the Ofsted inspection report was received for a factual accuracy check and this has been returned. Ofsted have up to 50 days to publish the final report.
- The risk register has been updated to reduce the residual risk around the College's financial position.
- There is a specific risk relating to the Gateshead International Stadium, as discussed earlier in the meeting.

The Committee queried the following:

- It was suggested that consideration be given to risk 10, inadequate disaster recovery/business continuity planning impacts on the College's capacity to deliver to students and maintain services leading to reputational damage and financial loss, based on the cyber security internal audit report. The report references that

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any non-cloud applications could remain inaccessible for an undefined time. The Committee **questioned** whether the current risk rating was appropriate given this. JC advised that the College has commissioned a piece of work on its disaster recovery processes and will also be asking internal auditors to look at this area going forward. It was **agreed** that the Executive Team will reflect upon the comments made. DA added that the College had recently received confirmation of its cyber essentials accreditation which should give the Committee a level of assurance.

Action: Executive Team to consider risk level relating to disaster recovery.

The report was noted.

F/172 11. Cyber Security Internal Audit

JC presented the report, for information.

The Committee discussed the following:

- It was recognised that there were a number of positive areas covered in the report with some good practice identified. Governors indicated that there are some limitations with the College's current security software application and suggested that there are other tools which may assist. AP advised that he would be happy to have further discussion outside of the meeting with CT in relation to this. **Action: AP / DA to have further discussion in relation to cyber security.**

The report was noted.

F/173 12. Any Other Business

N/A

F/174 13. Date of the next meeting

The date of the next meeting was due to take place on 19 May 2023 at 10am.