



## **FINANCE AND GENERAL PURPOSES COMMITTEE**

**FRIDAY 17 JUNE 2022**

**Report: Minutes of the meeting held on Friday 20 May 2022**

**Author: Clerk**

**Action: Approve**

**Status: Open**

**Present:** Martin Hedley (MH – Chair)  
David Brind (DB)  
Gareth Edmunds (GE)  
Sharon Kinleyside (SK)  
Alan Potter (AP)

**In attendance:** Jeremy Cook (JC – Deputy Principal: Finance & Resources)  
Ivan Jepson (IJ – Director of Business Development & Planning)  
David Keetley (DK – Financial Controller)  
Nadine Hudspeth (NH – Director of Marketing, Communications, Health and Safety, Student Services and Corporate Admin)  
Chris Toon (CT – Deputy Principal: Curriculum & Quality)  
Richard Ward (RW – Head of IT - for data map item only)  
Emma Moody (EM – WBD, Clerk)  
Paul McCann (PM – Tyne & Wear Pensions Fund – for pensions item only)

### **F/092 Chair's Welcome, Apologies and Conflicts of Interest**

The Chair welcomed participants to the meeting.

Apologies were received from DA.

GE declared an interest in the matter relating to the FTC offices. No other conflicts were raised, but members were reminded to declare any potential conflicts in matters discussed at the meeting as they arise.

### **F/093 Minutes of the last meeting dated 29 March 2022**

The minutes from the Finance and General Purposes Committee meeting on Tuesday 29 March 2022 were agreed as a correct record, save that a note be added to confirm that GE returned to the meeting following withdrawal (while the matter relating to the FTC offices was discussed).

### **F/094 Matters Arising**

The action log was presented to the meeting and noted by members.

## **F/095 Pensions Update**

A presentation was delivered by PM.

He confirmed that the LGPS is funded Scheme. Its asset portfolio is invested and this determines level of member contributions into the Scheme.

A copy of the presentation is available here:



Gateshead College  
Pension Presentatio

Members thanked PM for the presentation, which had been very helpful in informing their understanding of the Scheme and Gateshead College's position in it.

***The presentation was noted.***

## **F/096 Data Map and Data Breach Policy**

The report was presented by RW.

RW provided an updated on the exercises undertaken to update and rationalise the College's data map with asset owners. The Quality Team will test this with individual teams with a view to ensuring that retention periods are adhered to and that data is stored where it should be. RW reported that the refresh of the mandatory staff UK GDPR training will have an emphasis on reporting data breaches as very few are reported currently.

In response to a question from a member, RW confirmed that as part of the data sharing agreement the College also looks at data breach and security with third parties.

***The report was noted.***

## **F/097 Property Update**

A verbal update was given by JC.

GE withdrew from the meeting at 11am.

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GE returned to the meeting at 11.05am

***The report was noted.***

## **F/098 Collaboration and Subcontracting Update**

The report(s) were presented by IJ.

### **7a) Collaboration**

IJ report that the Wave 3 Digital Bootcamp tender will come back to Board for approval in due course.

IJ confirmed that the College was partnering with other colleges in relation to a bid to the Strategic Development Fund. There will be no financial impact to the College's budget in relation to this.

DB asked about cost implications of Wave 3 Digital. IJ confirmed 10% of contract value would be allocated to administration cost/resource. CT confirmed an anticipated 60% margin for the College after extraction of other costs. JC confirmed that next year's budget would be reviewed and as required reflective of the position in the event of a successful award of this contract.

#### **7b) Sub-contracting**

IJ reminded governors of the background to the approach taken to sub-contracting and the College approved strategy in this regard – ie to generally reduce reliance on sub-contractors. Whilst he confirmed that the College had gained approval from ESFA to changes in provision/level this year, particularly around AEB, the College was still on track to achieve its general strategy in this regard in the following year(s). There were no regulatory sanctions for the level of sub-contracting this year not being at or under target.

IJ reported the College was audited for its sub-contracting arrangements annually by the internal auditors and this year was a positive audit report.

GE asked about the delivery being undertaken and questioned if due diligence was complete. IJ confirmed that all due diligence had been undertaken and this was to the satisfaction of the ESFA.

***The report was noted.***

#### **F/099 Update on Significant Transactions**

JC presented the report.

##### **Sale of Construction Phase 2 Building**

JC confirmed that the VAT payment in relation to Construction 2 had now been paid in full.

##### **VAT – Lennartz Claim**

The position was noted.

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*Action: JC, DB and EM to meet to discuss contractual indemnity.*

***The report was noted.***

#### **F/100 Management Accounts – April 2022**

The management accounts were presented by JC.

DB welcomed the report. He asked about the non-pay costs. JC said this could be attributed to energy cost increases, general inflation and certain other factors. In response to a question from DB, JC confirmed he had spoken to Barclays about a potential covenant breach, and that further conversations could be had with Barclays in this regard such that anticipated breaches were foreseen at an early stage.

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

#### **F/101 Update on Draft Budget 2022/23**

The report was presented by JC.

JC thanked members of the team for their support in the budget setting process.

JC highlighted an element of risk in the College expansion plans in relation to T levels. He also highlighted AEB as the greatest area of uncertainty in light of the nature of funding allocation in this area. As things stand, the College will not use all of its AEB next year and is planning to subcontract £1.7 to a key partner.

JC confirmed the apprenticeship position projected is relatively static against this year.

JC highlighted to members the contribution table at appendix 4 and explained the rationale for certain figures within that table.

JC noted that there would be some changes to the recording of contributions in curriculum areas next year as they will be charged an element of End Point Assessment costs, and this will be reflected in the management accounts.

In relation to pay, JC highlighted the assumptions made in the calculations and brought members' attention to specific points therein. Provision had been made for a pay award but a decision would be brought to the Board for approval in the next academic year. This would be subject to assessment of performance against enrolment and funding targets in September and further consideration of affordability, impact on cash flow and bank loan covenants.

DB had some specific questions and would welcome a separate meeting with JC and DK to run through these.

Similarly, GE had questions relating to student numbers and would email CT outside of the meeting.

EM asked for all members to be copied into exchanges in this regard as it was important for all questions raised by members were recorded in informing the decision to recommend the budget to Board for approval.

***The report was noted.***

***Action: any further questions on the draft budget to be circulated by email outside of the meeting, copied to all members.***

#### **F/102 Risk Register**

The report was presented by JC.

The register now included a risk appetite column, but further consideration would be given to adding a target risk rating following the presentation by Wylie and Bisset.

***The report was noted.***

#### **F/103 Draft Board Calendar 2022/23**

The draft Board calendar for 2022/23 was shared by EM.

***The calendar was noted.***

#### **F/104 Any Other Business**

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#### **F/105 Date of next meeting**

The date of the next meeting was confirmed as Friday 17 June 2022 at 10.00am.