



Agenda No: 03

Finance & General Purposes Committee – Main Minutes

Friday 1 March 2024 – 9.30am to 11.00am

Meeting held via Teams

Committee Members	Type	Initials	Attendance	Apologies
Martin Hedley	Chair / Independent	MH	X*	
David Alexander	Principal / CEO	DA	X*	
Darren Curry	Independent	DCu	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 & 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*	

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

F/231 1. Chair’s welcome, apologies, conflicts of interest

The Chair opened the meeting and welcomed the attendees.

Apologies were noted from DB. 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/232 2. Minutes of the last meeting dated 1 December 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/233 3. Matters Arising / Action Log

A) Action Log

The action log was presented, with all but one action completed which remained as ongoing.

The action log was noted.

F/234 4. Corporate Planning Framework Update

DCh presented the report and highlighted that this followed on from a previous update setting out the College's Corporate Planning Framework, and provided an update on the progress of each pillar of the framework.

In relation to operational planning, actions were monitored at a departmental level, as well as being monitored per strategic aim of the overall College Strategic Plan. Positive progress had been made between term 1 and term 2.

There was some further work to be done relating to Learning and Development within the College's People priority. DA noted that this was discussed at the People Committee and the College were considering the current learning and development provision before finalising a job description for a specific Learning and Development post within HR.

DCh noted that the budget setting process linked to trend data across the different pillars of corporate planning to ensure this was a robust, integrated and considered approach.

DCh noted that the College continued to make improvements to the process and this year had greatly improved the interconnectivity between teams across the college. DK agreed and added that this was a well embedded and well linked process across the whole organisation with effective communication throughout.

DA mentioned the increased focus of the Board on horizon scanning and DCh covered the internal horizon scanning across College, with a specific example of innovation across teaching and learning.

An update was also provided on the supporting strategies underpinning the College Strategic Plan, noting that 6 had been approved and 6 were in progress, however there was an intention to merge the Partnership Strategy with the Brand and Strategy.

DA noted that an area for development was to consider reporting back to Board / Committees on progress of the College Strategic Plan and underpinning strategies, noting that this needed to be summarised and meaningful.

The Committee noted the following:

- The positive progress made, and the robust approach to planning and monitoring.
- The engagement and interconnecting of teams across the College. The Chair **triangulated** this with positive feedback received from staff.
- The succinct and clear report.

The report was noted.

DCh left the meeting.

F/235 5. Environmental and Sustainability Policy

NH presented the policy and noted that this had been created as a precursor to the College Sustainability Strategy which was being drafted, with the policy setting out the overarching framework for this. NH confirmed the policy had been developed through internal and external consultation, and had been recommended by the College's Green Steering Group, in which DB was a member as the Link Governor for Sustainability.

The Committee **noted** the clarity of the policy and that they would expect sustainability to integrate into all strategies and policies across the College.

The Committee discussed and queried the following:

- Targets and measures – NH confirmed that targets and measures would be included within the Sustainability Strategy rather than the policy document. The College continued to work with an external consultant to develop baseline targets and there had been a positive discussion at the Green Steering Group regarding this, with the focus on ensuring targets were to be challenging but realistic.

SK left the meeting.

- Future use and approach to energy – it was noted that this would be covered as part of the Sustainability and Estates strategies.
- Staff views on the prioritisation of sustainability – views had been collated from staff and students, with the majority feeling that sustainability was important however more training / awareness was required. The College were now considering options regarding training.

SK re-joined the meeting.

- Frequency of policy review – it was confirmed that a 3-year review cycle had been proposed with this being a high-level policy document and that the Strategy would be reviewed annually.

The Committee **recommended** the Environmental and Sustainability Policy for Board approval.

Action: NT to process policy for Board approval.

The policy was recommended.

F/236 6. Subcontracting Update 2023/2024

IJ presented the report, providing an update on the Board approved Subcontracting Plan.

Covered under a confidential minute.

The report was noted.

F/237 7. Financial Regulations Update

JC presented the report and highlighted that an approval limit anomaly had been identified within the Financial Regulations approved by the Board in December 2023. The report set out the proposed approval limits to rectify this.

The Committee recommended the revision to the College's Financial Regulations for Board approval.

Action: NT to process policy for Board approval.

Post-meeting note: The Financial Regulations were approved by a Chairs' Action and this decision would be ratified at the April 2024 Board Meeting.

JC noted that further changes to the Financial Regulations were likely following the publication of the awaited Colleges' Financial Handbook.

The report was recommended.

F/238 8. Finance Report

A) January 2024 (P6) Management Accounts

JC presented the report and highlighted the following:

- The College's forecast Financial Health grade as Good for 2023/2024, compared with the 3 years prior which had been Outstanding. This rating of 'Good' was in line with the College Financial Strategy as approved by the Board of Governors.
- The forecast financial position compared to budget was due to improve, with the projection of a positive movement in EBITDA compared to budget at year-end.
- The continued approach of reinvesting additional income to the benefit of staff and learners.
- Financial risks were summarised as follows:
 - Volatility in AEB and Bootcamp income projections due to their nature.

- Some uncertainty in the mix of partner and College delivery of bootcamp provision.
- An increase in electricity consumption in the first half of the year resulting in expenditure that is currently in excess of budget. JC noted that if continued, this would adversely impact non-pay expenditure.
- The requirement to ensure all grant funded capital expenditure meets the funders' eligibility and deadline criteria. JC confirmed that this risk has been captured within the horizon section of the College's Strategic Risk Register.

DA noted that the College had received a planned visit from the FE Commissioner to carry out a curriculum efficiency financial review, as part of ongoing active support. Positive feedback had been received and the final report was expected in April 2024.

The Committee **considered** the financial health grading and the underlying position. JC noted the forecast EBITDA is lower than the measure adopted by the ESFA, however the College's Finance Strategy was to achieve good or better financial health and therefore in line with this. JC reiterated that the College were not looking to build surplus cash, and instead reinvest additional funds for the benefit of learners.

The Chair of the Committee confirmed he would outline to the Board the position regarding this measure.

B) North East Apprenticeship Company (NEAC) 6-month financial summary

JC presented NEAC's 6-month financial summary, noting that the accounts were consolidated within the overall College accounts.

Covered under a confidential minute.

C) Gateshead College Foundation 6-month financial summary

JC presented Gateshead College Foundation's 6-month financial summary, noting that the accounts were consolidated within the overall College accounts.

JC noted that the Foundation's income was generated from interest on the loan to the College, and funding was applied to eligible students / applications from students.

D) Committee KPIs

JC noted that the forecast College Financial Health was good, however the pay: income ratio was slightly higher, and projected to be higher than budget at year end but this was within the overall budget parameters approved.

The Committee **discussed** the increase of energy costs and the associated impact of this.

The report was noted and the Management Accounts were approved for presentation to the Board.

F/239 9. Cashflow and Investment Options

Covered under a confidential item.

The report was recommended.

F/240 10. Tuition Fee Policy 2024/2025

JC presented the Tuition Fee Policy for 2024/2025, noting that only minimal amends had been made.

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

Action: NT to process policy for Board approval.

The policy was recommended.

F/241 11. Estates Strategy Update

JC provided a presentation which covered the following:

- The methodology and contents of the strategy development.
- Progress to date and the work with external consultants.
- Links with sustainability and decarbonisation.
- A summary of the initial findings.
- Objectives and outcomes.
- Next steps, including a development session with the Finance & General Purposes Committee / Board.

It was expected for the draft Estates Strategy to be presented to the first Finance & General Purposes Committee of the new academic year, ahead of seeking Board approval in order that it may draw on the College People Strategy which was due to be in place by summer 2024.

The Committee **encouraged** creative and innovate opportunities as part of the strategy development.

The update was noted.

F/242 12. Strategic Risk Register

JC presented the report and highlighted that

- In relation to the horizon scanning section of the risk register, the Executive Team were continuing to enhance this and were going to create more distinction of potential timings and internal / external factors. This would be presented at the April 2024 Board meeting.
- *Covered under a confidential minute.*

The report was noted.

F/243 13. Any Other Business

N/A

F/244 14. Date of the next meeting

The date of the next meeting was confirmed as Friday 24 May at 9am.