



Agenda No: 01

**Finance & General Purposes Committee - Main Minutes**  
**Friday 1 December – 9.30am to 11.00am**  
**Meeting**

<b>Committee Members</b>	<b>Type</b>	<b>Initials</b>	<b>Attendance</b>	<b>Apologies</b>
Martin Hedley	Chair / Independent	MH	X	
David Alexander	Principal / CEO	DA	X	
Alan Potter	Independent	AP		X
David Brind	Independent	DB	X*	
Sharon Kinleyside	Staff	SK	X	
<b>Clerk</b>				
Nicola Taylor	Director of Governance & Compliance	NT	X*	
<b>Attendees</b>				
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^	
David Keetley	Financial Controller	DK	X^	

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

**F/219 1. Chair's welcome, apologies, conflicts of interest**

The Chair opened the meeting and welcomed the attendees. The Chair noted that the joint Audit and Finance & General Purposes Committee would directly follow this meeting.

Apologies were noted from AP. The Committee **agreed** that the meeting was quorate. NT noted that AP had resigned with effect from 1 December 2023 and the Governance Committee were considering any necessary amendments to the Committee membership.

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

**F/220 2. Minutes of the last meeting dated 29 September 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/221 3. Matters Arising / Action Log**

**A) ESFA Letter Confirming the College's Financial Health**

The ESFA had written to the Principal / CEO on 3 November 2023 to confirm they had reviewed the College Financial Forecasting Return (CFFR) for 2022/23 to 2024/25, along with the associated information.

In terms of Financial Health, the letter confirmed that, in accordance with this approach the appropriate assessment grade, based on the College's financial plan, is:

- Outstanding for 2022/23 (the latest outturn forecast year), and
- Good for 2023/24 (the current budget year 2023/2024).

*The letter was noted.*

**B) Action Log**

The action log was presented, with all actions completed.

*The action log was noted.*

**F/222 4. Committee KPIs**

JC presented the report and highlighted that it set out all of the KPIs relevant to the Finance & General Purposes Committee which were usually covered within the management accounts, plus the KPI relating to sustainability.

Further work was required to firm up the sustainability KPI as the current target of a 5% year on year reduction in gas and electricity was not considered viable. Work had been undertaken in previous years to reduce this and although the College planned to continue this work, the 5% figure would not be achievable. As part of the work relating to sustainability, and the creation of the Sustainability Strategy, more sophisticated KPIs would be developed, following the College establishing a baseline position. NH noted that future KPIs could relate to awareness and training, and these revised KPIs would be suggested at the June 2024 Committee meeting for discussion / approval.

**Action: NH to suggest alternative sustainability KPIs at the June 2024 Committee meeting.**

The Committee **noted** the expectation to review alternative proposed KPIs towards the end of the 2023/2024 academic year.

The Committee **queried** if there would be any obligatory externally set KPIs - it was confirmed that the DfE would be implementing some science-based targets for 2025.

**The Committee discussed the following:**

- The sensible approach of the College working to understand the baseline position ahead of suggesting KPIs.
- The potential challenges around Scope 3<sup>1</sup>, and the need to develop an approach to this.
- The importance of KPIs linking with the overall College strategy.

*DK joined the meeting.*

- Strategic decisions around changes to continuously improve sustainability, and the potential impact this can have on alternative areas of the organisation, as well as considering the socio-economic impact some decisions may have.
- KPIs relating to behaviours, as well as efficiencies.
- The linkage between the financial KPIs and the work of other committees.

NH noted that the College were looking to appoint a Sustainability Link Governor who would also be invited to attend the Green Steering Group. DB volunteered to take on this role.

The Committee **approved** the KPIs and **approved** for the following KPIs to continue to be reported at a Board level:

- Financial health rating.
- Compliance with bank loan covenants.
- Pay to Income ratio.
- Cash days in hand.
- Annual capital investment in IT.
- Year on year reduction in energy consumption (to be developed).

The Committee **noted** the phenomenal amount of progress in the implementation of KPIs across the Board and Committees.

***The report was noted.***

## **F/223 5. Strategy Updates**

NH presented the report and highlighted the following:

- In relation to the Brand and Marketing Strategy, progress was being made with the creation of the strategy. The College were working with the North East Chamber of Commerce (NECC) and the North East Automotive Alliance (NEAA) to gain some qualitative data. This was to cover devolution,

---

<sup>1</sup> Scope 3 encompasses emissions that are not produced by the company itself and are not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain. An example of this is when we buy, use and dispose of products from suppliers. Scope 3 emissions include all sources not within the scope 1 and 2 boundaries. Source: National Grid

changes in the sector and other organisations' awareness of Gateshead College. Once this had been undertaken, the objectives would be created to develop the strategy.

- In relation to the Sustainability Strategy, the College were looking to understand the baseline position whilst continuing work within this area relating to awareness and understanding, delivering training and focussing on waste. The Sustainability Officer was working closely with the Facilities Team. The Strategy would also be informed by the themes considered at the Autumn Board Strategy Day.

NH noted that updates would be provided to the Committee to allow governor input ahead of drafting the finalised strategies.

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

- The relationships with the organisations who had provided feedback to date – it was confirmed that the current feedback was relating to those who the College already had relationships with, however the next phase of research would include those where there wasn't already a relationship in place. This would also include secondary age learners to understand their decision making.
- Gateshead College learners' understanding of what Employment Edge is – it was suggested that the response to this would come through the research findings.

The Committee **noted** the continued focus on Employment Edge.

***The report was noted.***

*NH left the meeting.*

## **F/224 6. Business Development Update**

IJ presented the report and highlighted that there had been two further updates since it's circulation, these related to:

- DfE Skills Bootcamps (round 2) – Awarded.
- Green Wave 4 Additional (round 2 procurement) – Awarded.

The values of the above awards had not been included within the October 2023 Management Accounts.

**Action: NT to share updated reporting appendix.**

IJ also provided an update relating to some further funding / delivery opportunities.

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

- The impact on the overall expected surplus if the additional opportunities came to fruition – it was confirmed that it was too early to make any assumptions however the College would be looking to reinvest any additional surplus.
- The challenge of resource planning – it was noted that planned resource could be utilised across the different adult provision routes.
- The challenge of growing multiple programmes with different funding streams – it was confirmed that the Executive Team were mindful of this and would only submit applications for funding where resource allowed.

- The differences between Adult Education Budget (AEB) direct delivery, subcontracted AEB and bootcamp funding, in terms of benefits and negatives of each, and the College's future strategy surrounding adult provision.

JC noted caution around the recently announced Autumn Statement in terms of funding within the public sector.

In relation to two capital projects, following the successful awarding of funds relating to the Local Skills Improvement Fund (LSIF) and Higher Technical Qualifications (HTQs), with a value within the Finance & General Purposes Committee approval limit, NT confirmed that a capital project brief and tender recommendation would be brought to the Finance & General Purposes Committee for approval. The Committee would be updated, and if any approvals were required in between meetings, approval would be sought electronically.

*Covered under a confidential minute.*

***The report was noted.***

## **F/225 7. Finance Report – October 2023 Management Accounts**

JC presented the report and highlighted the following:

- The report included a proposed revision to the College's Financial Regulations which brought capital project approval requests in line with the existing purchasing approval matrix, instead of the current wording which set out that the Board needed to approve any capital projects. The wording was also to be revised to take out specific references to funding bodies, and instead relate to any funding received. JC noted that the revised wording hadn't been included within the report provided however this would be provided at the Board meeting to allow the Committee to review the exact wording amends.

The Committee **recommended** changes relating to approval levels to be made consistent within the Financial Regulations for Board approval.

- Indicative allocations for AEB had been included, which related to an increased amount of activity. The College were remaining mindful of capacity to deliver. There was some concern relating to AEB provision and therefore work would continue relating to projections for the remainder of the year.
- The October Management accounts were showing a variance over 3 months to October 2023, however this related to pre-apprentices which were due to convert over the next couple of months with the adverse variance expected to reverse.
- The Trade Unions had accepted the College's pay award offer for 2023/2024.

**The Committee noted the report and approved the October 2023 Management Accounts for presentation to the Board.**

***The report was noted.***

**F/226 8. College Cashflow Update**

*Covered under a confidential item.*

***The report was noted.***

**F/227 9. Estates Update**

*Covered under a confidential item.*

***The report was noted.***

**F/228 10. Strategic Risk Register**

JC presented the report and highlighted that, following the Board meeting in October 2023, the residual score relating to R9 *Insufficient resilience to the threat of a cyber-attack leads to one or more of loss of data, fraud, business interruption, legal sanction and reputational damage* had reduced from 20 to 15, however this risk remained the highest scoring risk on the register.

The horizon scanning section of the risk register would be monitored in terms of the information published as part of the Autumn Statement.

***The report was noted.***

**F/229 11. Any Other Business**

N/A

**F/230 12. Date of the next meeting**

The date of the next meeting was due to take place on Friday 1 March 2024 at 9am. The Chair noted that there may be the need to circulate approval requests electronically ahead of the next meeting as discussed.