

## Meeting of the Finance & Resources Committee

**Venue:** Conference Room 1, South Shields Centre  
**Date:** Wednesday 27 June 2018  
**Time:** 4.00pm – 6.05pm

**Present:** Colin Seccombe (in the Chair)  
 George Clark  
 Malcolm Grady  
 Andy Walton

**Apologies:** Martin Hottass  
 Andrew Watts  
 Lindsey Whiterod

**In Attendance:** Neil Longstaff (Director of Governance)  
 Helen Beaton (Chief Finance Officer)  
 Catherine Donnelly (Director of HR)

ITEM	ISSUES	ACTION
1.	<p><b>Apologies for Absence</b></p> <p>The Committee approved apologies for absence received from those identified above after having first considered the reasons for their absence.</p>	
2.	<p><b>Declarations of Interest</b></p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p>	
3.	<p><b>Minutes of the previous meeting</b></p> <p>The minutes of the meeting held on 21 March 2018 were approved and signed by the Chair.</p> <p><b>Matters Arising</b></p> <p>3.1 <u>Safeguarding Policy</u>          It was confirmed that the revised Safeguarding Policy had been presented and approved by the Board.</p> <p>3.2 <u>Capital Project</u>          HB reminded governors that the Board approved the capital project (construction) and appointed Tolent as the contractor.</p> <p>3.3 <u>Gender Pay Gap</u>          Responding to a question, CD reported that there had been little coverage in the press on the figures released by the College. A formal response to the press had been given.</p>	

<p><b>4.</b></p>	<p><b>Human Resources Plan – Progress Report</b></p> <p>Confidential item.</p>	
<p><b>5.</b></p>	<p><b>Policies</b></p> <p>A number of updated policies were presented for consideration. These were as follows:</p> <p><u>5.1 Senior Postholder’s Disciplinary Policy and Procedure</u> Governors were informed that this report covered the process to be followed in the event of misconduct of a Senior Postholder. The policy had been updated to cover changes to:</p> <ul style="list-style-type: none"> <li>• Job titles</li> <li>• Sickness absence arrangements during disciplinary proceedings</li> <li>• Investigating officer appointments</li> <li>• Levels of sanction</li> <li>• Grounds of appeal</li> <li>• The addition of social media misuse to the list of gross misconduct.</li> </ul> <p>Q. Appointment of Investigation Officer? This person would be appointed by the Board advised by the Executive Director of HR.</p> <p>Paragraph 13.2 was to be reworded to state that the Special Committee was to be selected by the College Board.</p> <p>CD was thanked for her reports and left the meeting.</p> <p><u>5.2 Sub-contracting Fees Policy</u> Cheryl Cameron (Head of Employer Engagement) joined the meeting.</p> <p>CC presented the policy explaining that it had been reviewed and amended to reflect changes to terminology and supply chain fees and charges. These changes made clear that where fees were in excess of 30% TCC provided delivery staff and elaborated on payment arrangements.</p> <p>See also - Confidential item re. Sub-contracting.</p> <p><u>5.3 Bursary Policy 2018/19</u> Governors were asked to approve the Bursary Policy 2018-19.</p> <p>This policy covered college bursary funding, which was designed to help support learners who faced the greatest barriers to continuing in education or training post-16. The policy outlined the College’s statutory responsibilities with regards to the administration and distribution of the fund as well as student eligibility.</p> <p>There were no changes to the existing policy.</p> <p><u>5.4 Travel and Expenses Policy</u> This report had been updated to take account of travel between College sites and changes to job titles.</p>	<p>CD</p>

	<p><u>5.5 Foreign Travel Policy</u> This policy was being presented to the Committee as it had been updated to include a statement and procedure to ensure all foreign travel was suitably risk assessed and restrictions or/and controls formally defined prior to authorisation.</p> <p><b>Resolved:</b></p> <ol style="list-style-type: none"> <li>i. <b>That the Sub-contracting Fees Policy is approved.</b></li> <li>ii. <b>That the following policies are recommended to the Board for approval subject to any amendments mentioned above:</b> <ul style="list-style-type: none"> <li>• <b>Senior Postholder’s Disciplinary Policy and Procedure</b></li> <li>• <b>Bursary Policy 2018/19</b></li> <li>• <b>Travel and Expenses Policy</b></li> <li>• <b>Foreign Travel Policy</b></li> </ul> </li> </ol>	NL
6.	<p><b>Marketing – annual update against KPI’s</b></p> <p>The report detailed achievement of KPIs against the 2016-17 marketing strategy.</p> <p>Governors attention was drawn to the following within the Marketing Action Plan (STC only):</p> <ul style="list-style-type: none"> <li>• One KPI had not been achieved i.e. ‘to increase attendees at SSMS shipping day by 5%. Findings showed that although early indicators from expected attendees were high, they did not materialise. Measures were now in place to have a November and February open day to get to the market first.</li> <li>• One KPI remained pending seeking further clarification of understanding of full cost courses and their growth (Pt 8 in report).</li> </ul> <p>Q. Why was Pt 8 amber? The target was not met last year.</p> <p>Members of the committee were reminded that there would be a Marketing presentation to be given by the Marketing Manager at the next Board meeting.</p> <p>Governors asked that the authors of the reports or Managers responsible for the area of work, present the reports to governors as they would have a greater understanding of the content and could respond accurately to questions.</p> <p><b>Resolved: That the committee agree to receive the College’s Marketing action plan and KPI’s.</b></p>	NL/LW
7.	<p><b>Annual Health and Safety Report</b></p> <p>The purpose of the report was to provide an update on accident/incident data and significant Health and Safety developments during 2016/17 at STC and 2017/18 (Interim to May 17) at Tyne Coast College (TCC).</p> <p>The report highlighted the following points:</p> <ul style="list-style-type: none"> <li>• Changes to the health and safety policy that were approved by the committee and took account of the merger with TM to produce a TCC version.</li> <li>• Statistics showed that accidents/incidents were still declining.</li> <li>• RIDDOR reportable accidents (one during the 16/17 period and one during 17/18 period to May).</li> </ul>	

	<ul style="list-style-type: none"> <li>• A summary of inspections and audits had been undertaken by third parties and internal staff – no serious breaches were found.</li> <li>• A summary of fire drills and fire alarm activations on the college site – one fire of note recorded.</li> <li>• Staff training in this area – all mandatory training completed during the period and further development of Training Needs Analysis and nominated H&amp;S training lists.</li> </ul> <p>Q. Any trends giving cause for concern e.g. fighting /aggressive behaviour? This was largely related to students with learning difficulties who were not intentionally being aggressive and not the general student population. It was noted that staff received the appropriate level of training to handle such situations.</p> <p>Q. Staff assaulted? No.</p> <p>Governors appreciated the comprehensive report that had been presented.</p> <p><b>Resolved:</b></p> <p><b>i. That the committee agree the report and that it be presented to the Board for information.</b></p> <p><b>ii. That the Principal for SSMS is asked to attend the next meeting to give his views on the areas in need of attention.</b></p>	<p>NL</p> <p>JR</p>
<p><b>8.</b></p>	<p><b>Management Accounts and commentary</b></p> <p>HB introduced this comprehensive report and advised that as at the end of May 2018, the College had made a £674k surplus, which was £329k above budget (Comparator figure for last year was not included in the management accounts due to the August 2017 merger).</p> <p>Total income was £866k below budget due to low Adult Classroom, 16-18 Apprentices and Adult Apprentices income. Year-end income projections had been amended for these areas in the reforecast. £913k Nimasa sea time income was included in these accounts, which were offset by equivalent non-pay expenditure.</p> <p>Payroll costs were £770k below budget due to low lecturer costs resulting from vacant posts either not being filled yet or being filled after the start of the academic year; these costs had also been projected to the year-end.</p> <p>Non-pay expenditure was £182k below budget due to lower than budgeted partnership delivery, low exam and estates maintenance costs. Included in non-pay costs were £913k Nimasa sea time costs which were offset by equivalent sundry income noted above.</p> <p>The College’s financial health had moved to “Good”, due to the improved financial performance in the month and was forecasted to be “Good” at the end of the academic year.</p> <p>The Chair indicated that this was a positive report as even with the depreciation element removed, the figures remained strong and any vulnerability had lessened. CS was also encouraged that there had been no dramatic fluctuations over recent months.</p> <p>Apprenticeships remained the area of concern.</p>	

	<b>Resolved: That the committee agree to receive the report.</b>	
<b>9.</b>	<b>Regional Financial Comparison</b>  Confidential item.	
<b>10.</b>	<p><b>2 Year Financial forecasts</b></p> <p>This paper showed the financial forecast using the forecast outturn at May 2018, the detailed budget for 2018/19 and projecting for the following year.</p> <p>The College's objectives continued to be to maintain the strength of the balance sheet and to operate in the difficult environment it currently operated in and expected to operate in the coming years. The College also aimed to keep a financial health rating of at least good during the life of the forecast.</p> <p>This financial plan was prepared on a conservative basis with regard to income growth and did not assume any significant capital projects that were not already approved.</p> <p>It was a requirement of the ESFA that the College submitted a financial forecast to them by 31 July each year. The tables in the report were therefore prepared using the ESFA formats for ease and consistency.</p> <p>HB stressed that this paper should be read in conjunction with the annual budget paper.</p> <p>The 2018/19 forecast assumed a small reduction in 16-18 income, adult income remaining steady and small increases in other areas.</p> <p>The forecast also assumed the College would slightly reduce subcontracting in 2018/19 with the continued move to in house delivery and the changes in apprenticeship funding reducing subcontracting.</p> <p>Q. Any issue that the ESFA may query? None. It was noted that the FE Commissioner /ESFA were likely to use such data to identify where intervention might be required.</p> <p>Governors stated that the report was very clear and helpful.</p> <p><b>Resolved:</b>  <b>i. That the members of the Committee agree to recommend the forecast to the Board for approval and then for submission to ESFA.</b>  <b>ii. That the validation checklist as per annex 1 is agreed.</b></p>	<b>HB</b>
<b>11.</b>	<p><b>Student Union Budget 2018-19</b></p> <p>For 2018-19 it was proposed to continue to offer the Student Union a budget of £20,000 for activities and payment of officials and support for those officials.</p> <p>This level of budget had been made available in the main College budget for 2018-19.</p> <p>It was noted that the budget was monitored as part of the monthly management accounts package provided by the Finance Department.</p>	

	<p>Governors suggested that the amount be reduced to £15,000 as this was a more realistic figure given the level of spend in recent years. This was also likely to encourage the union committee to sell NUS cards as the union would receive a percentage of the sales back which would increase the available budget.</p> <p>In addition, the Committee suggested that any shortfall in expenditure at the end of the year be allocated to the Dr Winterbottom Fund to support students.</p> <p><b>Resolved: That the Committee agree to recommend to the Board a budget of £15,000 for the 2018-19 academic year and that any future underspend be allocated to the Dr Winterbottom Fund to support students.</b></p>	<b>HB</b>
<p><b>12.</b></p>	<p><b>Approval of Contracts and Planned Expenditure in Excess of £125K</b></p> <p>Confidential item</p>	
<p><b>13.</b></p>	<p><b>Chair's Urgent action not covered elsewhere on agenda</b></p> <p><u>13.1 NIMISA Sea Service</u></p> <p>The Chair reported that he had held discussions with the Principal of SSMS over a complaint from NIMASA at the College's failure to provide the service they had paid for i.e. to undertake sea service training for 55 deck and 34 engineering cadets.</p> <p>Negotiations had taken place with another sea service provider to fulfil part of the contract and also re-negotiate with current providers to a reduction in contract value and scope to 50%.</p> <p>It was noted that there was now a lesser financial risk to the College than first thought.</p> <p><b>Resolved: That the information is received and acknowledged.</b></p> <p><u>13.2 Catering Contract</u></p> <p>Confidential item.</p>	
<p><b>14.</b></p>	<p><b>Any other business</b></p> <p><u>Santander Loan</u></p> <p>HB explained that the College's solicitors had advised that in order to satisfy the bank, the College needed a more formal resolution of acceptance for the loan and had therefore prepared some wording in the form of minutes, which was presented for consideration.</p> <p>HB confirmed that a report would need to go the full Board for approval.</p> <p>It was noted that the interest rate strategy was discussed and the option was taken, after discussion with the Chair of the Finance Committee, to keep the loan at a floating rate but to keep the option to fix the rate should circumstances change.</p> <p>Q. Time delay? None.</p>	

	<p>Q. Handelsbanken? The College's solicitors was keeping them up to date with progress as the College would need to repay their loan as it drew down the term loan from Santander.</p> <p><b>Resolved: That the information is received and acknowledged.</b></p>	
<b>15.</b>	<p><b>Date of next meeting</b></p> <p>To be confirmed by the College Board at its meeting on 11 July 2018.</p>	
<b>16.</b>	<p><b>Identification of Confidential Items</b></p> <p><b>Resolved: That the following items are to remain confidential:</b></p> <ul style="list-style-type: none"> <li>• <b>Item 4 – Human Resources Plan (Progress Report)</b></li> <li>• <b>Item 5.2 Sub-contracting</b></li> <li>• <b>Item 9 – Regional Financial Comparison</b></li> <li>• <b>Item 12 - Approval of Contracts and Planned Expenditure in Excess of £125K</b></li> <li>• <b>Item 13.2 - Catering Contract</b></li> </ul>	

**Signed:** .....

**Date:** .....