

Meeting of the Finance and Resources Committee

Venue: via TEAMS
Date: 17 March 2021
Time: 4.00pm – 5.50pm

Present: Colin Seccombe (in the Chair)
 Malcolm Grady
 Martin Hottass
 Donya Urwin
 Andy Walton
 Lindsey Whiterod

In Attendance: Neil Longstaff (Director of Governance)
 Mo Dixon (Principal TyneMet)
 Craig Scott (Director IT)(CSc)
 Jane Cuthbertson (Chief Finance Officer)
 Catherine Donnelly (Exec. Director of HR)
 Steve Chittenden (Finance Manager)

ITEM	ISSUES	ACTION
1.	<p>Apologies for Absence</p> <p>There were no apologies for absence received.</p>	
2.	<p>Declarations of Interest</p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p>	
3.	<p>Minutes</p> <p>The minutes of the meeting held on 1 December 2020 were approved and to be signed by the Chair.</p> <p>Matters Arising not covered on the agenda</p> <p><u>3.1 HR Resources Plan 2020-21</u> CD reported that the College's new IT/Digital Strategy had only recently been finalised and agreed, therefore HR were reviewing the impact of this document on the HR Plan. This was to be presented to a future meeting.</p> <p>Q. Significant changes expected? There was a considerable amount of work around the strategy particularly around learning and development and this would result in changes to the action plan.</p> <p>Responding to a question CD stated that an update to elements of the HR Plan re. digital strategy, could be given at the next meeting of the Committee although the more significant changes were likely to be covered in next year's HR Plan.</p> <p><u>3.2 Annual Pay Award 2020/21</u> In response to a question from the Chair, JC confirmed that the 2% salary increase was still retained within the forecast and had not released.</p>	CD

	<p><u>3.3 Website</u> NL confirmed that all governor profiles had been updated on the College's website.</p> <p><u>3.4 Sub-contracting review - Groundwork (Groundwork South and North Tyneside)</u> It was reported that a letter confirming the decision of the Committee had been sent, as requested.</p> <p><u>3.5 Annual review of the Public Benefit Statement</u> It was noted that the Public Benefit Statement had been updated, as requested, and published on the College website.</p>	
<p>4.</p>	<p>Human Resources Report</p> <p>Confidential item.</p> <p><i>CD left the meeting</i></p>	
<p>5.</p>	<p>Business Continuity Update</p> <p>The purpose of this report was to provide the committee with an update on the College Business Continuity Procedures.</p> <p>CSc highlighted the following issues for governors:</p> <ul style="list-style-type: none"> • Due to COVID-19 pandemic the College had been operating in a business continuity scenario since March 2020. • Management of the crisis had followed an adapted business continuity process. • There had been substantial use of remote learning throughout the course of the pandemic. • Current Government plans anticipated a lifting of social distancing measures in late June 2021. <p>Q. Excellent roll-out of laptops but what is the approach to colleagues working from home? Staff were provided with relevant equipment where they did not already have suitable devices. Microsoft remote desktop services was initially used but had recently been updated, the use of Microsoft TEAMS and greater use of the SharePoint 365 site. A governor felt it was important for the College to constantly review its IT to ensure staff continued to have the equipment and software to enable them to do their work efficiently and effectively.</p> <p>Q. What happens to laptops? Those gifted to the College by the government became the property of the College (900 laptops approx.) A governor commented that there was a significant shift in the students learning experience to digital learning and it appeared that the College was off to a very good start.</p> <p>Q. Lessons learnt exercise? This was part of the Business Continuity policy therefore this tended to be conducted at the end of the incident/event i.e. lockdown (June).</p> <p>Q. Business Continuity worked well? Yes, generic lessons were learnt from past incidents which had been documented and areas for improvement actioned. This resulted in more robust procedures to be followed for future situations. A governor stated that the BCP needed to tie in with the Digital Strategy moving forward as the current situation had been a significant change in working practices.</p> <p>CSc stated that the College's IT facilities were now scalable to meet the needs of the College at any given time.</p> <p>Resolved: That the Committee agree to receive the report and acknowledge the information presented.</p> <p><i>CSc left the meeting</i></p>	

6.	<p>Update on Partnership Activity 2020/21</p> <p>Confidential item.</p>	
7.	<p>Sub-Contracting Supply Chain Fees and Charges Policy</p> <p>This report aimed to update and enhance the sub-contracting supply chain fees and charges policy to take account of any changes to funding rules and regulations.</p> <p>The document set out to identify the requirements of both the sub-contractor and the College and explained all expectations and what support sub-contractors could expect to receive.</p> <p>Q. VAT on fees? MD felt that itemising what the College did provided clarification around partnership arrangements and what they received. JC agreed and indicated that she was not aware of any plans for VAT on fees.</p> <p>Resolved: That the Committee agree to recommend the policy to the College Board for approval.</p>	NL
8.	<p>Fees Policy 2021-22</p> <p>This paper was to update and enhance the sub-contracting supply chain fees and charges policy to take account of any changes to funding rules and regulations for FE, HE, Apprenticeships or Full Cost delivery.</p> <p>The document had also been updated to reflect the new relationship with the North of Tyne Combined Authority, overseas student funding and tightened up the criteria around Student Loans.</p> <p>Resolved: That the Committee agree to recommend the policy to the College Board for approval.</p> <p><i>MD left the meeting</i></p>	NL
9.	<p>Management Accounts</p> <p>Confidential item.</p>	
10.	<p>Sodexo Catering Service</p> <p>Confidential item.</p>	
11.	<p>Post audit adjustments – lessons learned</p> <p>This report informed governors about the lessons learned from the 2020 external audit process.</p> <p>JC commented that the movement between the July 2020 management accounts out-turn to the statutory accounts was presented to this committee in January 2021 on the Reconciliation between Management Accounts and Statutory Accounts for the Year Ended 31 July 2020 paper.</p> <p>Following a review of the non LGPS scheme adjustments that occurred between the year-end management accounts and the statutory accounts, JC detailed in her paper the assurance that could now be given to governors.</p> <p>Q. Will the adjustment (Apprenticeships) put the College at increased risk of a monitoring visit as outcomes could have fallen significantly? LW was to explore further.</p>	LW

	<p>The Chair indicated that he was comfortable with the positive messages this report was giving.</p> <p>Q. Concern that KPMG and Mazars differ in opinion? SCh was of the view that Mazars approach was the correct method.</p> <p>Q. Accrual at year-end for R14 as it was predictable? JC would consider this moving forward.</p> <p>Resolved: That governors agree to receive the report and acknowledge the information presented.</p>	JC
12.	<p>Funding Allocations 2021/22</p> <p>Confidential item</p>	
13.	<p>Bad Debt Provision</p> <p>At the December 2020 Finance and Resources Committee, members requested details of the size of the College bad debt provision for the last 3 years, which was now being presented for consideration.</p> <p>It was noted that, due to the economic uncertainty associated with the ongoing pandemic, a more cautious approach to the recognition of doubtful debts (many of which were loans) was taken when compared to previous years, which resulted in a significant increase in the annual provision. Approximately £11k of these doubtful debts had now been received and the College was continuing to pursue these debts through its credit control processes and external debt collection agreements.</p> <p>Q. This year's position? Difficult to say but no significant issues had been identified to date.</p> <p>Resolved: That governors agree to receive the report and acknowledge the information presented.</p>	
14.	<p>Approval of Contracts and Planned Expenditure in Excess of £125K</p> <p>Confidential item.</p>	
15.	<p>Estates Strategy</p> <p>Governors were presented with the Estates Strategy that had been considered at the recent meeting of the Board. It was noted that the document also explained the level of expenditure needed to be invested if the bids were not successful.</p> <p>JC reported that the College was progressing with its bid and the deadline for submission was Monday 22 March 2021.</p> <p>The main concern for the Chair was how to fund the refurbishment of the College if the bids failed. A governor felt that the strategy would need to be RAG rated at some point to help determine priorities if the College received partial or no funding.</p> <p>The significant contribution of Paul Mackings in the preparation of the bids was acknowledged by governors.</p> <p>Governors discussed the risks associated with the two bids being submitted.</p> <p>Responding to a question, JC confirmed that the document that had been presented to the Board and Committee was unlikely to be changed prior to submission other than for typo</p>	

	<p>corrections.</p> <p>A governor highlighted strategic aim 2 (A radical learning model with a plan to deliver 60% of all onsite learning through digital methods by 2025) indicating that this would dictate the footprint for the new College but what would happen if the bids fail and 60% remained a target as there would be significant overcapacity on both sites. LW referred back to comments about prioritising and having Plans A, B, C etc. ready to implement depending upon the level of funding received.</p> <p>Concern was raised about the options available should the College not secure the Cobalt building north of the river.</p> <p>Resolved: That the information is noted.</p>	
16.	<p>Any other business</p> <p>None.</p>	
17.	<p>Date and Time of Next Meeting</p> <p>Tuesday 29 June 2021 at 4.00pm</p>	
18.	<p>Contract for Services - Chair of the Board</p> <p>At this stage in the proceedings, staff except for the CEO left the meeting.</p> <p>Confidential restricted item.</p>	
19.	<p>Identification of Confidential Items</p> <p>Resolved: That the following items are to remain confidential:</p> <ul style="list-style-type: none"> • Item 4 – Human Resources Report • Item 6 – Update on Partnership Activity 2020/21 • Item 9 – Management Accounts • Item 10 - Sodexo Catering Service • Item 14 – Funding Allocations 2021/22 • Item 14 – Approval of contracts in excess of £125k • Item 18 - Contract for Services - Chair of the Board (restricted) 	

Signed: **Date:**