

Meeting of the Finance and Resources Committee

Venue: STC Conference Room 1 / TEAMS
Date: 28 November 2023
Time: 4.00pm – 6.20pm
Present: Colin Seccombe (in the Chair) (CSe)
 Gary Hindmarch
 Mark Turnbull (TEAMS)
 Donya Urwin
 Lindsey Whiterod (LWh)(TEAMS)

In Attendance: Jane Cuthbertson (Chief Operating Officer)
 Neil Longstaff (Director of Governance)
 Allyson Edney (Director of HR)
 Steve Chittenden (Head of Finance)
 Karen Ritchie (Head of Finance)

ACTION TRACKER

Item	Summary of Action Required	By whom	Status	Comment / Update
Meeting held on				
5.	Policy – update the Bursary Policy is recommended for approval	NL		Approved
6.	Annual Report and Financial Statements for the Year Ended 31 July 2023 an AoC seminar mentioned that the DfE would be relaxed if Colleges submitted late accounts owing to a number of Colleges having difficulties in finalising their accounts this year. JC was to investigate if needed.	JC		Not required
7.	Report on reconciliation between Management Accounts and Statutory Accounts the matter of the Credit Note is to be resolved prior to the statutory accounts being signed off by the Audit Committee and Board.	JC		Agreed to be a paper at next Committee in March 2024 (credit note issue had been raised with both the Chair of F&R and Chair of Audit Committees and Board) Stat account approved.
9.	Student Union Accounts 2022-23 Committee agree to receive the report and acknowledge the information as provided and that this be presented to the Board.	JC		Taken to December Board meeting
10.	Management Accounts Timetable JC is asked to circulate the timetable (appendix) that had been omitted from the report.	JC		Timetable circulated
14.	Tyne Coast College Financial Plan from ESFA JC is to circulate the financial dashboard once released by the EFSA.	JC		Taken to December Board

18.	Modern Slavery and Human Trafficking Statement 2023/24 to be presented to the College Board for approval.	JC		Approved by Board
19.	Annual review of the Public Benefit Statement further consideration be given to the comments of governors in finalising the document.	NL		Changes made and final document posted to Website

MINUTES

ITEM	ISSUES	ACTION
1.	Apologies for Absence There were no apologies for absence to be received.	
2.	Declarations i. <u>Declarations of interests</u> The Chair reminded members to declare any conflicts of interest as they arose on the agenda. The members of the Committee were reminded of the standing declarations in respect of the roles held in Tyne Coast Academy Trust by CSe and LW. ii. <u>Business to be raised under Item 21</u> None <i>With the approval of the Committee, the Chair changed the order of business as follows.</i>	
3.	Minutes The minutes of the meeting held on 26 September 2023 were approved and signed by the Chair. Matters arising not covered on the agenda As reported on the Action Tracker and below: <u>3.1 Governor Meeting with HR Director</u> Confidential item <u>3.2 Human Resources Action Plan 2023-24 update</u> Confidential item	
4.	Chair's use of Urgent Actions <u>Jetty Refurbishment - authorisation for additional works</u> Governors were informed of the instances where Chair's action had been used since the previous meeting. Details regarding the authorisation of urgent works needed to the Jetty were covered in the paper presented. Resolved: That the report is received and Chair's urgent action is endorsed.	
5.	Policy – update	

	<p>The following policies were presented for consideration with amendments highlighted for further discussion.</p> <ul style="list-style-type: none"> • Bursary Policy (resubmitted with minor amendment) • Volunteering Policy • Relocation Expenses Policy <p>Q. Take up of Volunteering Policy? Very few had made use of this policy. Q. Relocation take-up? None in the past 12months. Q. Funding relating to Bursaries? 16-19 bursaries from DfE and AEB allocation for discretionary awards. No cost to the College and 5% of costs could be claimed back for administrating the bursaries.</p> <p>Resolved: That the Bursary Policy is recommended to the Board for approval and that the Volunteering Policy and Relocation Expenses Policy are approved as presented.</p> <p>AE was thanked for her attendance and left the meeting.</p>	NL
6.	<p>Annual Report and Financial Statements for the Year Ended 31 July 2023</p> <p>JC explained that as a result of the strategic decision regarding Cobalt the Statutory Accounts needed to be revisited regarding the accounting treatment of spend and the likelihood of clawback of grant.</p> <p>It was noted that the College needed to assume, as per the guidance, that the grant received would be clawed back.</p> <p>The change was significant and two-fold:</p> <ul style="list-style-type: none"> • the grant receipt to date (c£300k) was to be treated as a provision for clawback • the costs incurred to date (c£480k) could no longer be capitalised and would be charged to the I&E which impacted upon EBITDA and created an issue with year-end financial covenant tests. <p>This had been discussed with Santander who had confirmed in an email that they were happy to treat this post year end adjustment as an exceptional cost for the purpose of covenant calculation:</p> <ul style="list-style-type: none"> • this avoided the potential breach of the Interest Cover covenant test • they wished to see this documented appropriately and had provided options for the College to do this. <p>It was expected that the final accounts would be presented to the rescheduled Audit Committee on 12 December to enable the changes to be made and review by Mazars to be completed.</p> <p>This meant that the verbal update on the annual report and financial statements and the paper regarding reconciliation between management accounts and statutory accounts had not yet been completed. Governors considered the best way regarding this matter.</p> <p>The Chair reported that he had attended an AoC seminar at which it was mentioned that the DfE would be relaxed if Colleges submitted late accounts owing to a number of Colleges having difficulties in finalising their accounts this year. JC was to investigate if needed.</p> <p>It was noted that this Committee was only being asked to review the financial element of the accounts prior to sign off.</p> <p>Resolved: That the report is received and situation acknowledged.</p>	JC
7.	<p>Report on reconciliation between Management Accounts and Statutory Accounts</p>	

	<p>The purpose of this report was to have provided governors with information on the adjustments made between the preparation of the July 2023 Management Accounts and the Statutory Accounts.</p> <p>The Chair asked if there was anything significant showing in the reconciliations that the Committee needed to be aware of given that a paper could not yet be provided.</p> <p>JC highlighted that in terms of income some small movements but the more significant ones were:</p> <ul style="list-style-type: none"> • Pension scheme charges • Credit note raised of £81k – further details to be provided. <p>Overall, there was £553k adjustments mainly pension related.</p> <p>Q. The Chair was concerned about the credit note and asked that JC investigates further to determine how it came about, what it was for, what process was followed for authorisation and whether it met the financial regulations? JC indicated that over £1500 needed approval from her as COO. The Chair was concerned that JC didn't know the detail behind this credit note and stated that if something had not been followed then the Committee needed to know what actions needed to be taken to ensure it didn't happen again.</p> <p>A governor agreed that the Committee needed to ensure due process was followed. LW supported the action to follow this up.</p> <p>Resolved:</p> <ol style="list-style-type: none"> That the report information is received and acknowledged. That the matter of the Credit Note is to be resolved prior to the statutory accounts being signed off by the Audit Committee and Board. 	JC
8.	<p>Annual Report on Governor Expenses</p> <p>This paper provides the Committee with an update on the level of expenses claimed by Governors during 2022/23.</p> <p>Resolved: That the committee agree to receive the report and acknowledge the information as provided.</p>	
9.	<p>Student Union Accounts 2022-23</p> <p>This paper provided Governors with details of the Student Union accounts results for 2022/23 and an overview of activity in the year.</p> <p>The following were considered:</p> <ul style="list-style-type: none"> • Net Budget £15,144 • Actual Net Expenditure £15,144 • Variance: £0 <p>Resolved: That the committee agree to receive the report and acknowledge the information as provided and that this be presented to the Board.</p>	JC
10.	<p>Management Accounts Timetable</p> <p>This paper was to provide the Committee with an overview of the Management Accounts timetable adhered to within the college. This year the College was also required to report the monthly accounts to the DfE ensuring that the College financial health was as per the loan request for the College new build and that the savings as per the action plan were met in-year.</p>	

	<p>JC reassured governors that these had been met by the finance team although late to the F&R Committee.</p> <p>Q. When are the Management account finalised? 28th of each month as they might also be needed to be sent to the DfE.</p> <p>Resolved: That the Finance and Resources Committee agrees to receive the report and that JC is asked to circulate the timetable (appendix) that had been omitted from the report.</p>	JC
11.	<p>Management Accounts and commentary</p> <p>Confidential item</p>	
12.	<p>In Year Savings Action Plan 2024/25</p> <p>Confidential item</p>	
13.	<p>College Financial Forecast Return (CFFR)</p> <p>Confidential item</p>	
14.	<p>Tyne Coast College Financial Plan from ESFA</p> <p>The purpose of this report was to confirm the College Financial Forecasting Return (CFFR) that had been provided to the ESFA.</p> <p>As previously reported, the dashboard had not yet been released.</p> <p>Resolved: That governors receive the report and that JC is to circulate the financial dashboard once released by the EFSA.</p>	JC
15.	<p>Annual Pay award</p> <p>Confidential item</p>	
16.	<p>New Build – update</p> <p>Confidential item</p>	
17.	<p>Approval of Contracts and Planned Expenditure in Excess of 125k</p> <p>Confidential item</p>	
18.	<p>Modern Slavery and Human Trafficking Statement 2023/24</p> <p>This paper was to provide governors with the Modern Slavery and Human Trafficking Statement, to be agreed prior to being presented to the College Board for approval.</p> <p>There was a requirement for certain commercial organisations to publish an annual statement setting out the steps they take to prevent modern slavery in their business and their supply chains. This was a requirement under section 54 (Transparency in Supply Chains) of the Modern Slavery Act 2015.</p> <p>The attached statement was made up of the necessary elements set out in government guidance. To demonstrate that the College had met the minimum requirements the statement must be:</p>	

	<ul style="list-style-type: none"> • Updated annually • Published on the College website • Approved by members of the College Board • Signed off from a designated member of the Board <p>The statement was for 2022/2023, looking towards 2023/2024 and had been endorsed by College Executive Group.</p> <p>Q. The College states it will put in place reasonable measures to implement and enforce effective systems and controls to ensure that modern slavery and human trafficking does not occur – has this been done? No, this was ongoing and had not yet been achieved owing to reduced staffing.</p> <p>Resolved: That the Committee endorse the attached statement in order to be presented to the College Board for approval.</p>	JC
19.	<p>Annual review of the Public Benefit Statement</p> <p>The purpose of the report was to ask the Committee to undertake a review of the College’s Public Benefit Statement (PBS) as a requirement of the Code of Good Governance.</p> <p>The following were highlighted:</p> <ul style="list-style-type: none"> • The Code of Good Governance for English Colleges recommended the adoption of such a statement and in doing so the College would be complying with the Code. • The annual review of the document was delegated to the Finance and Resources Committee. • The PBS described how the College sought to add value to the social, economic and physical well-being of the community it served. Proposed changes were highlighted and discussed. <p>It was commented that, as referenced earlier, the Volunteering Policy could be added to the list of examples of where the College had added value.</p> <p>Resolved: That Committee agree the draft revised Public Benefit Statement 2023/24 but that further consideration be given to the comments of governors in finalising the document.</p>	NL
20.	<p>Feedback from Business & Stakeholder Groups</p> <p>None.</p>	
21.	<p>Any other business</p> <p>None.</p>	
22.	<p>Date and time of next meeting</p> <p>Tuesday 12 March 2024 at 4.00pm</p>	
23.	<p>Review of Governance Team</p> <p>JC, SC and KR left the meeting.</p> <p>Restricted confidential item.</p>	
24.	<p>To undertake the annual salary review for the Senior Postholders</p>	

	<p>At this stage in the proceedings the remaining staff withdrew from the meeting at the required times.</p> <p>Restricted confidential item.</p>	
25.	<p>Identification Confidential Items</p> <p>Resolved: That the following items are to remain confidential:</p> <ul style="list-style-type: none"> • Item 03 – 3.1 & 3.2 Minutes (Matters arising not covered on the agenda) • Item 11 – Management Accounts and commentary • Item 12 – In-Year Savings Action Plan 2024/25 • Item 13 – College Financial Forecast Return (CFFR) • Item 15 – Annual Pay Award • Item 16 – New Build update • Item 17 – Approval of Contracts and Planned Expenditure in Excess of 125k • Item 23 – Review of Governance Team (Restricted) • Item 24 – To undertake the annual salary review for the Senior Postholders (Restricted) 	

Signed: **Date:**