

Meeting of the Finance & Resources Committee

Venue: Conference Room 1, South Shields Centre
Date: Friday 5 October 2018
Time: 2.00 pm – 4.45 pm

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

Apologies: Martin Hottass
 Lindsey Whiterod

In Attendance: Mandy Oram (Senior Governance Support Officer & PA to the CEO)
 Helen Beaton (Chief Finance Officer)
 Catherine Donnelly (Director of HR)
 John Roach (Principal SSMS)
 Cheryl Cameron (Head of Employer Engagement, Apprenticeships and Partnerships) – part

ITEM	ISSUES	ACTION
1.	<p>Apologies for Absence</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>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 of the previous meeting</p> <p>The minutes of the meeting held on 20 June 2018 were approved and signed by the Chair.</p> <p>Matters Arising</p> <p>3.1 <u>Sundry Income</u> It was confirmed by HB that a graph detailing the differing income streams with amounts shown had been included in the Management Accounts.</p> <p>3.2 <u>Financial Objectives</u> HB confirmed that a meeting was to be held with Santander next week to allow the account to be moved and highlighted that there would not be a better rate from Barclays for cash held at the bank.</p> <p>The minutes of the meeting held on 27 June 2018 were approved and signed by the Chair.</p>	

	<p>Matters Arising</p> <p>6.1 <u>Marketing – annual update against KPIs</u> A report had not been given at the meeting on 27 June due to the presenter withdrawing from the meeting due to illness.</p>	
<p>4.</p>	<p>Committee Workplan 2018-19</p> <p>The Governors were presented with a copy of the Committee Workplan 2018-19 for consideration and noting.</p> <p><i>Andy Walton joined the meeting at 2.14 pm</i></p> <p>Resolved: That the Committee Workplan 2018-19 is received and accepted.</p>	
<p>5.</p>	<p>Review of Committee Performance again TOR</p> <p>The purpose of the report was to provide Governors with details of the performance of the Finance and Resources Committee during 2017-18.</p> <p>Members of the Committee (2017-18) had been asked to complete an online survey to review the Finance and Resources Committee’s performance during the previous financial year. The survey had not identified any areas as being ineffective overall. Areas identified with a below satisfactory score (3+) were as follows.</p> <ul style="list-style-type: none"> • Undertaking the annual salary review for the Senior Postholders and Director of Governance. • Reviewing the Marketing KPIs <p>Members were asked to bear in mind that two governors had misread the scoring system and this would have an effect on the final outcome. These scores were to be resubmitted and a report brought to the next meeting.</p> <p>It was noted that there had been a 75% return rate for the survey.</p> <p>Resolved:</p> <ol style="list-style-type: none"> i. That George Clark and Andy Walton resubmit their scoring. ii. That the updated report be brought to the next meeting for consideration of the responses to the survey and determine whether any action is necessary. 	<p>GC/AW NL</p>
<p>6.</p>	<p>Human Resources Report</p> <p>6.1 <u>Safeguarding Policy, Safeguarding Procedure and Structure Changes</u> The purpose of the report was to provide an updated Safeguarding Policy, a separate Safeguarding procedure and changes to the Safeguarding structure.</p> <p>The Executive Director of HR, Catherine Donnelly explained to the Committee that since the resignation of Alex Richard’s that safeguarding within the curriculum had been managed in part by staff from both South Tyneside College and TyneMet College. The safeguarding lead for the Halls was Eamonn Murphy supported by CD and a member of the curriculum staff.</p>	

Currently there were 13 safeguarding contacts across the College though only a handful of the contacts dealt with a majority of issues. As individual issues could take a considerable amount of time for those staff due to an increase in the number of mental health concerns, the College also employed counsellors on both sites. The support for the student was often additional support to get through their course.

CD explained that although she was Safeguarding Lead for the College as Executive Director of HR she had limited access to students and often was not the most appropriate person to deal with the student's issues. In light of this and given the anticipated change to the Senior Structure with the implementation of a Deputy Chief Executive role, SEG had agreed a modification to the structure for safeguarding as follows:

- Overall Safeguarding Lead (Deputy Chief Executive) – This would fit with the responsibility for students across the College and allow safeguarding to be more aligned with curriculum lead decisions. This would require a change to the reporting mechanism to Governors.
- Safeguarding Lead for Staff (Executive Director of HR) – This role had always been part of the Executive Director of HR's responsibilities so would not involve any change.
- Designated Safeguarding Deputies (Assistant Principals and Manager of SEND/ALS) – There were no proposals to change this arrangement.
- Safeguarding Contacts– There were no proposals to change this arrangement.

Clarification was sought over the role of the Deputy Chief Executive position re. Safeguarding. CD responded confirming that this would sit with the successful applicant for the role of Deputy Chief Executive/Executive Principal.

Resolved: That the committee agree the proposal put forward and for the Executive Director of HR to approach the Director of Governance for advice concerning the reporting mechanism to Governors.

6.2 Safeguarding Policy and Safeguarding Procedure

CD explained that the Safeguarding Policy had been reviewed and updated to take account of updated statutory guidance 'Keeping Children Safe in Education' which came into effect on 3 September 2018. The Policy had been separated into a Policy and a separate procedure to enable the College to cover all of the key changes identified in the update which included, for example, more detailed guidance on child sexual abuse and sexual harassment. The Policy and Procedure were now Tyne Coast College policies.

It was stressed that the College must have an up to date Safeguarding Policy to meet its statutory obligations and comply with Ofsted.

The question was raised as to whether the procedure was completely new or whether there had been changes? The Procedure was new and it was vitally important to have the Policy and Procedure separate so people would know what to do.

It was queried whether the Policy and Procedure would go to the Board from the Committee as it was noted that Mark Overton, who was the Lead Governor for Safeguarding, was not a member of this Committee? The Policy and Procedure would now be taken to the Board for approval.

It had been felt that it seemed odd that the F&R Committee were being asked to make a

CD/NL

	<p>recommendation to the Board before the designated governor had seen the papers? Note had been taken that the designated governor had not previously been involved and the matter would be rectified by asking whether Mark Overton had any comments.</p> <p>Resolved: That the Committee agree to recommend the Policy and Procedure to the Board for approval subject to seeking input from the Lead Governor for Safeguarding.</p> <p><u>6.2i - Human Resources Annual Report</u></p> <p>Confidential item</p> <p><u>6.3i HR Resources Plan 2018-19</u></p> <p>The purpose of the report was to provide the committee with the objectives for Human Resources (HR) for 2018-19 by identifying the 10 key strategic objectives for the HR team.</p> <p>The observation was raised that a great deal of the plan focused on what would be thought to be the day to day job and there was difficulty in drawing out the key strategic prospective. CD replied stating that the workforce was there to carry out and meet the needs of the curriculum role during redundancy/restructure. This being a continual process at the moment to meet the needs of the organisation but that this might differ in 12 months.</p> <p>CD was asked if, when looking at the key tasks, which in her opinion would she judge to be there in 12 months' time? All</p> <p>It was felt by the committee that the document had the feeling of a job description, which specified specific tasks/objectives and how these would move onwards. CD confirmed to the committee that these were the objectives agreed with the Chief Executive which needed to be concentrated on.</p> <p>A member of the committee indicated that a meeting to review the objectives by all senior members had not yet taken place due to diary commitments and that the Executive Director of HR's proposed objectives would be discussed at this meeting.</p> <p>Q. Implications for HR support to the Academy Trust as the Trust grows? A number of processes and policies were under review and areas of priority were being identified. There were currently three schools each with different policies and procedures.</p> <p>Resolved: The Committee, recognising that a performance review meeting is yet to take place, agree to receive and acknowledge the information presented.</p>	<p>CD</p> <p>CD</p>
<p>7.</p>	<p>Update on Sub-Contracting</p> <p>Confidential Item.</p>	
<p>8.</p>	<p>Health and Safety – Priority Areas</p> <p>John Roach (JR), Principal SSMS updated the committee on Health and Safety (H&S) priorities at Tyne Coast College (TCC) by providing an overview of the current Health and Safety (H&S) concerns and priorities identifying incidents/accidents to be noted. There was no published accident/incident data for TCC as separate H&S reporting systems existed though a recommendation that they be combined had been made. There was a</p>	

	<p>downward ten year accident and incident trend at STC, which would suggest that STC was a safer place to work or could suggest that less accidents were being reported, this could also be a reflection on the smaller student numbers.</p> <p>The top five most commonly reported incidents were:</p> <ol style="list-style-type: none"> 1. Medical condition 2. Slip, trips and falls 3. Bump/strike impact 4. Cut hand/arm 5. Aggressive behaviour <p>Q. Concern over the increase in bumps and aggressive behaviour. Are these inter related? JR reassured the committee that the two were not connected and provided an example of each.</p> <p>The committee felt that the priority was to bring consistency to the report between all sites and to provide a list of concerns raised at the H&S meeting.</p> <p>JR felt that consistent data was the priority. Medical conditions were monitored in terms of concern but no trend had been perceived so there would not be a need for this area to be targeted. Staff had raised concerns about aggressive behaviour and JR was working with CD on this as staff had asked for defensive training but it had been felt that de-escalating training would be more appropriate.</p> <p>Q. Would Legionella and the jetty not be major concerns? JR assured the committee that any building with pipework would be at risk of legionella and that day to day measures had been put in place.</p> <p>Q. There appeared to be limited First Aid at TM? JR confirmed that this was a concern but was being managed.</p> <p>Q. Why had aggressive behaviour not been listed as an H&S priority? This was being dealt with through HR and staff development. LLDD was managed well with the incidents being recorded in case of follow on action, absence or sickness.</p> <p>Resolved: That the committee agree to receive the report.</p>	
<p>9.</p>	<p>Annual Report on Estates</p> <p>The purpose of the report was to provide an overview of the College Estates management and included a progress report on capital work at Tyne Coast College (TCC). An executive summary was provided by JR.</p> <ul style="list-style-type: none"> • Major refurbishments to STC Estates were limited and related mainly to completing and improvement to work already started. No expansion of the site was expected as the capacity of the site was sufficient to allow for a 20% increase in enrolments. • Refurbishment to the YTM estate consisted of refurbishment and repurposing of existing facilities in A and E block and QA drama hall entrance. • An overview of 2017/18 showed the financial position at P12 was £460k over budget due to contested dilapidations. Water monitoring had resulted in cost savings across both Westoe and Coast Road Campus (CRC). Ongoing monitoring would target further water saving opportunities. All works from 2017 Legionella risk assessment had now been completed. 	

	<ul style="list-style-type: none"> • Summer work in the majority had taken place at CRC. • The maintenance contract with Opus at Westoe had been terminated early allowing harmonisation for both TM and STC maintenance strategies, which would result in cost savings across TCC. • On-going capital works would proceed until the end of Term 1 2018/19. • Plan for 2018/19 to include integration of central TCC Estates Management and maintenance function, consolidation of Estates and capital plans etc. • TMS Capital build had progressed with an expected hand over in November 2018. <p>Q.Is the building on time? It was confirmed that it was due to be completed on 5 November as there had been some delay due to the high winds, which caused a 2 week delay. There had been some issues with the Level 3 plumbing due to late changes and would take possession once the building was watertight and had access. The aim would be to be out of the old building by 31 October with students in on 5 November.</p> <p>Concern was raised by governors indicating that this was a very tight plan. It was explained that it would be half term the week before so this would assist the situation. Meetings were being held with relevant parties to determine date(s) for machinery to be moved. The College had taken legal advice on the delay and this had been provided for in full in the Management Accounts at a cost of £540k. It was confirmed that a charge could only be made if evidence could be provided that they had incurred a cost.</p> <p>Q. Disadvantage to students? There might be a need for more classroom delivery and employers were being kept updated.</p> <p>Clarification was sought as to whether the £540k would be a worst case scenario and £134k a best? It was confirmed that this was the case.</p> <p>Q. Was the project within Budget? Within the revised budget, yes.</p> <p>Q. There are additional costs for the movement of gas? Yes, this was to cover the move of a power substation.</p> <p>Resolved: That the Committee agree to receive the report.</p>	
<p>10.</p>	<p>Management Accounts to 31 July 2018</p> <p>Confidential item.</p>	
<p>11.</p>	<p>Learner Recruitment and Funding Update 2018-19</p> <p>This paper showed the targets for the Learner Recruitment and Funding update 2018-19.</p> <p>Approximately 200 further enrolments were expected from partners. Enrolments were throughout the year with 1200 planned partners.</p> <p>Resolved: That the Committee agree to receive the report.</p>	
<p>12.</p>	<p>Bad Debt Provision and Annual Write Off of Bad Debts</p> <p>The purpose of the report was to inform governors of movements in provision for Bad and Doubtful debts during the 2017/18 financial year.</p>	

	<p>The Chief Financial Officer (CFO) informed the committee that during the year a number of account balances totalling £3,709.52 had been written off. The written off balances were selected on the basis of being uneconomical to pursue and on advice from the College's debt collection agency. Invoices with a value lower than £1,000 could be written off by the Chief Executive under the delegated powers contained within section L4.3 of the Financial Regulations.</p> <p>Authorisation was sought from the committee to write off an additional £8,434.17 bad debt relative to two invoices in excess of £1k in relation to Dylan Wright for non-payment of tuition fees as staff were unable to trace whereabouts and Carillion as the company had gone into liquidation.</p> <p>The proposed provision balance for the year ending 31 July 2018 reflected outstanding invoices, predominantly with individual students where the debts were more than 90 days overdue, in many cases the pursuance of the debt had been passed on to the College debt collection agency. Further communication would be made with the debtors in default to ensure that the College had made every effort to recover the sum due. Debts would be reviewed with consideration given to using appropriate legal methods of debt recovery and the use of STA Graydon, who were a specialist firm in the recovery of debt in the education sector.</p> <p>Q. The position with NIMASA appeared to have improved, was it through that the remaining balance would be recouped? It was hopeful that this would be the position as all of the old debt had now been paid.</p> <p>Q. What was the current position with Hartlepool Training? This was currently with the solicitor as it was a sub contract. It had been decided to stop delivering training bringing learners back in house, which had meant that there had been an overpayment.</p> <p>All investigations and checks on delivery were carried out and changes made. The College was then informed that Hartlepool Training had ceased training, however, the company was still trading but no longer in apprenticeships.</p> <p>Q. Theft of a laptop had not been treated as theft and not through a debt agency? There had been many issues with paper work for the loan of the laptop.</p> <p>It had been noted that there was an increasing number of students not paying fees. It was confirmed that this only related to student loans with incorrect paperwork. It was also noted that students who left early would be funded for remainder of course.</p> <p>Resolved:</p> <ol style="list-style-type: none"> i. The Committee approve the immediate write off for the outstanding sum of £8,434 as detailed on Appendix C. ii. The Committee approve the year end bad debt provision balance of £164,503.76 as detailed on Appendix D. 	
13.	<p>Approval of Contracts and Planned Expenditure in Excess of £125K</p> <p>The purpose of the paper was to provide details of planned and actual expenditure for the 2017/18 Financial Year, incurred either as a result of a formal contract or by cumulative usage across the College, where the aggregate spend with the named supplier was expected to exceed the £125,000 approval threshold. Providing this information was to provide governors with an indication of the expected levels of supplier turnover. Suppliers</p>	

might be changed if they failed to provide satisfactory levels of service or were unable to satisfy the criteria specified in the College's Value for Money Policy.

Governors were required to retrospectively approve increases to the following contracts for the 2017/18 academic year:

- Contract for additional learner support services (STC campuses) – approval was sought to increase the value of the contract awarded to Protocol from £300,000 to £326,000 for the provision of student support services at South Tyneside College campuses.
- Nursery services – approval was sought to increase the value of the contract awarded to Tynemouth Nursery Group from £150,000 to £168,000 for the provision of nursery services at TyneMet campus.

Resolved: That the committee approve the increases for Protocol and Tynemouth Nursery Group.

Governors were requested to approve the following contracts for the 2018/19 academic year:

- Nursery Services – approval was sought for the provision of nursery services at TyneMet campuses to Tynemouth Nursery Group as a cost of approximately £160,000.
- HELM Training Courses – approval was sought for the award of a contract value £14,000 to AFS Consultants for the provision of educational training courses within the schools of simulation and senior marine.
- Contracts for partnership activity – The report presented at the June 2018 meeting advised governors that they would receive an update on partnership contracts that had been awarded from the £2m partnership budget. It was confirmed that the 2018/19 partnership contracts for the provision of education training courses awarded to date were as follows:
 - TTE Technical - £600,316
 - Foundation of Light - £486,835
 - Monkwearmouth Academy - £184,661
 - Profound Group - £225,000
 - Keith Stevenson and Associates - £268,000

Resolved: That the committee approve the contracts for Nursery Services, HELM Training Courses and Partnership Activity.

Governors were requested to note the progress updates on the insurance and utilities tender process.

- Insurance Services – The College had carried out a comprehensive process for the provision of insurance services with the assistance of corporate Risk UK. Two brokers had submitted tenders and after due evaluation, the contract was awarded to Arthur J Gallagher (AJG) who had tendered all the individual policies on behalf of the College through the Crown Commercial Service (CSC) framework to provide the College OJEU compliance. The College sought and gained the Chair's action to approve the recommendations which AJG made. Most of the College's insurance services being awarded to Zurich Municipal (ZM), however some parts of the College's insurance policies eg Marine, Terrorism, Travel etc. were to be awarded to other providers as ZMs excess charges for these policies were regarded to be prohibitive.
- Utilities Services – STC had been contracted with Utility Wise (UW) to broker the

	<p>supply of gas and electricity for the last three years. Although the contract term was coming to an end there was an opportunity to extend for a further two years through their OJEU compliant framework without the need to tender. The service provision by UW had been good over the last three years.</p> <p>In light of favourable benchmark information and the benefit of continuity the College gained approval of the Vice Chair to extend the Utility Wise contract by two years (due to the absence of the Chair) as the contract needed to be signed by 26 September 2018.</p> <p>The query was raised as to whether the College was exposed to any risk should the College's energy broker's business failed? HB had not been aware of any indicating that contracts were directly with the energy provider as well as broker.</p> <p>Resolved: That the committee note and agree the update to the insurance and utilities tender process.</p>	HB
<p>14.</p>	<p>Draft Financial Outturn to 31-07-18 (including FRS102 & Merger Adjustments)</p> <p>The purpose of the report was to keep governors up to date with the financial performance of the College during the academic year. The accounts had been prepared to advise governors of the effect of the merger and pension charge adjustments on the College's year-end financial outturn.</p> <p>The management accounts July 2018 paper advised governors that the College had made a £439k surplus excluding significant audit adjustments (eg LGPS end enhanced pension adjustments, holiday pay accrual from TM staff, land and buildings revaluation etc). The effect of these audit adjustments were to increase the year end surplus by £22441k to £22880k. The College's financial health remained unchanged as 'Good' at the end of the academic year</p> <p>Resolved: That the committee agree to receive the report</p>	
<p>15.</p>	<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).</p> <p>The Code of Good Governance for English Colleges recommended the adoption of such a statement and in doing so the College will be complying with the new Code.</p> <p>The annual review of the document was delegated to the Finance and Resources Committee.</p> <p>The PBS described how the College sought to add value to the social, economic and physical well-being of the community it served. The only changes made were examples of where the College had added value (covering the past twelve months). The SEG had considered the statement and recommend it for approval by the committee.</p> <p>The Committee felt that good examples had been used but were written as to the financial added value whereas the emphasis needed to be what was being achieved in Value Added for students and the Community. The request was made for one of the bullet points referring to the new build at TM to be taken out.</p>	

	Resolved: i. That the committee agree to receive and approve the Public Benefit Statement Subject to the adjustment suggested above.	NL
16.	NIMASA Sea Service Update Confidential item.	
17.	Chair’s Urgent action not covered elsewhere on agenda Covered within the meeting.	
18.	Any other business None.	
19.	Date of next meeting Tuesday 27 November 2018 at 4.00 pm at STC site.	
20.	Identification of Confidential Items Resolved: That the following items are to remain confidential: <ul style="list-style-type: none"> • Item 6.2i - Human Resources Annual Report • Item 7 – Update on Sub-Contracting • Item 10 – Management Accounts • Item 16 – NIMASA Sea Service Update 	

Signed:

Date: