

Meeting of the Finance & Resources Committee

Venue: Board Room, TyneMet Centre

Date: Thursday 12 October 2017

Time: 4.05pm – 6.30pm

Present: Colin Seccome (in the Chair)
George Clark
Andrew Watts

Apologies: Malcolm Grady
Martin Hotass
Andy Walton
Lindsey Whiterod

In Attendance: Neil Longstaff (Director of Governance)
Helen Beaton (Deputy Chief Executive)
Catherine Donnelly (Exec Director of HR) for Items 4 to 8 only

ITEM	ISSUES	ACTION
1.	<p>Apologies for Absences</p> <p>The Committee approved apologies for absence received from those identified above after having 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 28 June 2017 were approved and signed by the Chair.</p> <p>Matters Arising</p> <p>All matters had been either actioned or covered on the agenda.</p>	
4.	<p>Committee Workplan 2017-18</p> <p>The Director of Governance presented the Workplan 2017/18 as approved by the Board, for information.</p> <p>Resolved: That the Workplan 2017/18, as presented, is received.</p>	
5.	<p>HR Report</p> <p>Confidential item</p>	

<p>6.</p>	<p>JCC Annual Report 2016-17</p> <p>The Director of HR presented the annual report from JCC for 2016-17 and a plan for 2017-18.</p> <p>With regard to unions, there continued to be a lack of representatives in the College from either AMIE or GMB. The College had been in contact with both regional offices and was aware that attempts had been made to provide local representatives but to no avail. Relations with unions remained very good.</p> <p>Progress on strategic matters and revised policies/procedures were reported and noted.</p> <p>Q. TyneMet included? No formal arrangements were in place but were now being covered as part of Tyne Coast College.</p> <p>The Director of HR highlighted that an additional consultation group was to be established to focus on harmonisation. The first meeting was scheduled for 9th November and future meetings were to be monthly in the first instance.</p> <p>It was noted that there had been no issues raised at the JCC meeting on 11 October other than questions around the implementation of a dress code for staff.</p> <p>Resolved: That the Committee agree to receive the contents of the report.</p>	
<p>7.</p>	<p>HR Action Plan 2017/2018</p> <p>This report outlined the key actions for the HR department for the academic year 2017-18.</p> <p>It was noted that the Director of HR had met with the Chief Executive and agreed the actions within the plan, which were also used as part of the Director of HR's individual performance appraisal.</p> <p>Q. Order of actions? These had been place in order of importance.</p> <p>Resolved: That governors agree to receive and accept the HR Action Plan 2017/2018 subject to the inclusion of safeguarding actions raised under Item 5 above.</p>	<p>CD</p>
<p>8.</p>	<p>Relocation Expenses Policy</p> <p>The purpose of this report was to recommend to the Committee an updated Relocation Expenses Policy for approval.</p> <p>It was clarified that this policy applied to new staff only at present as others would be part of the harmonisation process.</p> <p>Resolved: That the Committee agree the Relocation Expenses Policy as presented.</p> <p>The Director of HR was thanked for her reports and left the meeting.</p>	

<p>9.</p>	<p>Update on Marketing KPIs</p> <p>The purpose of this report was to update governors on marketing KPIs up to the end of August 2017.</p> <p>Overall KPIs had been achieved in terms of increased footfall, increased number of overall applications, increased number of applications from feeder schools, increased number of social media followers across all platforms and an increase in commercial income. Some areas of concern remained around apprenticeships, HE and full cost.</p> <p>Governors were of the view that responsibility for marketing in terms of monitoring KPIs and designing of marketing plans should sit with three Local Boards. It was felt that this Committee's role was to examine the budget(s) against the marketing plans and assign appropriate allocations in June for the following academic year. The consensus of the committee members was that the Board should sign off a Marketing Strategy at the same time as the Business Plan.</p> <p>Resolved:</p> <ul style="list-style-type: none"> i. That the Committee agree to receive the report and acknowledge information presented. ii. That the following recommendations, specific to STC and SSMS are supported: <ul style="list-style-type: none"> • Full analysis of customer journey from initial engagement to application and then to enrolment, in order to identify where issues are around conversion rates and any gaps in the customer experience. • Specific marketing campaign and identification of needs around HE. • Review of marketing of apprenticeships. • Continued aggressive push into 'hard to reach' schools. • Review of current structure in the marketing department. iii. That a new marketing strategy across Tyne Coast College, which will include KPIs for each sub-brand, is to be produced as soon as possible. iv. That the views of the members of the Committee in terms of the monitoring of marketing KPIs, the designing of marketing plans and budget allocations are to be reflected in revised workplans for the Board's consideration as part of the annual review of governance arrangements. 	<p>LS</p> <p>LS</p> <p>NL</p>
<p>10.</p>	<p>Update on Sub-Contracting</p> <p>Confidential Item.</p>	
<p>11.</p>	<p>Management Accounts to 31 July 2017 and commentary</p> <p><u>STC</u></p> <p>The DCE introduced this comprehensive report and advised that as at the end of July 2017, the College had made a £199k surplus, which was £228k below target but £512k above the 2015-16 position.</p> <p>Total income was £1,664k below budget due to low Adult Classroom, 16-18</p>	

Apprentices, Adult Apprentices and other tuition income.

Payroll costs were £846k below budget and £458k below 2015-16 costs. This was primarily due to low lecturer and classroom support costs resulting from the lower than anticipated enrolments.

Non-pay expenditure was £479k below budget and £850k below 2015-16 costs. This was largely due to lower than budgeted partnership delivery, low exam costs due to the lower than budgeted student numbers and low schools expenditure due to some purchases being funded from bursaries.

The College's financial health was classified as "Good" at the end of the academic year.

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Only a basic statement on income and expenditure and balance sheet had been provided as there was limited resource able to produce figures for TyneMet and the emphasis had been on processing the year-end data and preparing for audit rather than producing a full narrative and supporting schedules.

It was noted that the College had yet to make the final claims for adult and apprenticeship funding (to be made in October) and the numbers were expected to change due to this. The accounts were to be updated for this and any other post audit adjustments as the statutory accounts were finalised.

Governors were made aware that the College was currently being audited and no items of error had been reported to date.

With regard to pensions, STC had included the actuarial valuation in the accounts but TyneMet had not as this was not yet received but it was expected within the next few days.

It was also noted that STC had been selected for an audit on the ILR although nothing substantial had been identified.

Governors indicated that the College was performing well in a very challenging environment. The DCE reported that the financial health of TCC was a strong 'good'.

Q. TyneMet figure to improve? Yes, further income was expected which was likely to improve the figures shown and might cover the gap of £250k. The DCE commented that a prudent line had been taken when presenting information to governors. However, governors were reminded that pension figures could offset this amount. Governors indicated that they wanted to understand the underlying financial performance of the College. Therefore, they advised that any merger costs e.g. pensions, were to be identified separately.

Q. Adjustments? Outstanding elements were to be presented when the statutory accounts were presented.

Governors congratulated the DCE and her team on the management of the budget during a difficult year.

	<p>Resolved:</p> <p>i. That the Management Accounts are to be recommended to the Board for approval.</p> <p>ii. That the DCE is to :</p> <ul style="list-style-type: none"> - Circulate the Outturn statement once known - Provide clarity at the Board meeting as to why TyneMet forecast of £250k had not been achieved - Provide a global figure for the cost of the merger with a split shown as to the cost for each college (bar severance fees). 	<p>HB</p> <p>HB</p>
12.	<p>Learner recruitment and funding update 2017-18</p> <p>Confidential item.</p>	
13.	<p>Budget sensitivities report – update</p> <p>The DCE explained that she was not yet in a position to present a report on budget sensitivities.</p> <p>The Chair asked that the key issues be highlighted as soon as possible together with the potential impact on the budget.</p> <p>Responding to a question the DCE indicated that changes to the budget could be made mid-year to respond to the needs of the College.</p> <p>Resolved: That the information is noted.</p>	
14.	<p>Revised Financial Regulations</p> <p>The purpose of this report was to update the Financial Regulations for Tyne Coast College.</p> <p>The regulations had been updated for changes in job titles and some changes in the purchasing levels.</p> <p>Governors discussed the terminology used within the document indicating that it would be more appropriate to use the title of Chief Operating Officer instead of Deputy Chief Executive.</p> <p>It was noted that the College Senior Executive Group had approved the main document.</p> <p>Q. Bribery? This was covered under a separate Fraud and Bribery policy.</p> <p>Resolved:</p> <p>i. That the revised Financial Regulations are recommended to the Board for approval subject to references to Deputy Chief Executive being changed to Chief Operating Officer.</p> <p>ii. That the website on the document be changed to reflect Tyne Coast College not South Tyneside College.</p>	<p>HB</p> <p>HB</p>

15.	<p>Bad Debt Provision and Annual write off of Bad Debts</p> <p>Confidential item.</p>	
16.	<p>Approval of Contracts and Planned Expenditure in Excess of £100K</p> <p>Confidential item.</p>	
17.	<p>Estates Report</p> <p>This paper was intended to give the Finance and Resources Committee an overview of how the College would like to progress capital plans to bring provision delivered at rented satellite space onto the main campuses.</p> <p>Governors attention was drawn to the following issues:</p> <ul style="list-style-type: none"> • The three units that make up TMC in Benton had leases that expired in summer 2018. • The Jarrow motor vehicle unit had a lease that expired in March 2019. • The cost to run these centres was approximately £340k per annum. • The learners at these centres received a poorer further education experience than other learners, e.g. no learning centre/library on site, no catering facilities (only vending), limited access to extracurricular activities, unable to mix with students in different areas. • A proposal to develop a project to see if the College could relocate TMC and motor vehicle onto the main campuses using the savings generated by this to service debt that allowed for new build/refurbishments to occur. • The proposal was time critical as planning permission was required and would need to be sought early in 2018. <p>Governors asked that staff be mindful of the political sensitivities of moving a facility out of a particular area.</p> <p>Q. Discussion with banks? Loans to be explored to replace current rentals. Q. LA/LEP funding? None available.</p> <p>Resolved: That the Committee:</p> <ul style="list-style-type: none"> • Agree to appoint architects and project management to determine if a feasible project can be developed alongside researching what financing may be available. • Agree to the College discussing this potential project with banks. 	<p>HB</p> <p>HB</p>
18.	<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 changes recommended reflected the new Business Plan for Tyne Coast College approved by the Board.</p> <p>It was noted that the Senior Executive Group had considered the statement and recommended it for approval.</p>	

	<p>A governor asked that three examples of added value be shown in the document.</p> <p>Resolved: That the Committee agree the Public Benefit Statement subject to the addition of three examples of where the College had added value.</p>	NL
19.	<p>Any other business</p> <p>None.</p>	
20.	<p>Date of next meeting</p> <p>The next meeting of the Committee was scheduled for Tuesday 21 November 2017 at 4.00pm at STC site.</p>	
21.	<p>Identification of Confidential Items</p> <p>Resolved: That the following items are to remain confidential:</p> <ul style="list-style-type: none"> • Issues under Matters Arising (3.3, 3.5 and 3.5) • Item 5 - HR Report, • Item 10 - Update on Sub-Contracting • Item 12 - Learner recruitment and funding update 2017-18 • Item 15 - Bad Debt Provision and Annual write off of Bad Debts • Item 16 - Approval of Contracts and Planned Expenditure in Excess of £100K 	

Signed:

Date: