

CHAIR APPROVED

The Corporation of New College Durham

**Minutes of the Finance and Resources Committee meeting
held on 7 February 2024**

Present:

Stephen King (Chair)
Joy Brindle
Andy Broadbent
Christine Warren
Chris Patterson

Apologies:

Peter Morrison (Vice
Principal)

In attendance:

Karl Fairley (Deputy Chief Executive)
Alison Maynard (Deputy Principal)
Paul Bradley (Chief Finance Officer)
Bob Metcalf (Executive Director of Finance and Corporate Services)
Elaine Bonham (Executive Director of HR and Corporate Services)
Kimberly Stevenson (Executive Director of Estates, Facilities and Corporate Services)
Nik Whiting (Executive Director of ICT and Corporate Services)
Adele Dowson (Vice Principal)
Caroline Winter (Head of Governance & Corporation Secretary)

Action

24/01 Chair's introduction and starred items

The Chair welcomed everyone to the meeting and reminded members to declare their interests in any item of business to be discussed at the meeting. No interests were declared.

Members confirmed that they did not require any further discussion about the starred agenda item B2.

24/02 Apologies for absence were received from Peter Morrison.

24/03 Minutes of previous meeting

The minutes of the meeting held on 22 November 2023 were agreed as accurate, subject to correcting the meeting date, and signed by the Chair.

24/04 Matters arising

23/61 – the queries raised on the draft accounts narrative were addressed prior to consideration by Corporation.

23/73 – the Strategic KPI report format was revised to reflect members' comments and the latest update was on the current agenda.

24/05 Financial Monitoring to 31 December 2023 (Paper B1)

Bob Metcalf presented Paper B1, which detailed the financial position of the College at 31 December 2023.

Bob highlighted a number of areas of additional funding that were not yet included in the monthly accounts relating to successful bids for national Bootcamps contracts, the Shared Prosperity Fund and additional Apprenticeship income anticipated from January enrolments.

Part of this item is recorded confidentially under minute 24/05a.

Bob confirmed that budget forecasts would be included in the following month's report and this would provide a clearer picture. Members were updated on the negative staff contingency and noted this was expected to return to balance before July 2024 as vacancy savings were returned. Bob drew members' attention to the adjusted current ratio noting this was low due to commitments relating to the current works to Promotion House. It was expected that this would start to increase when invoices were raised for the January HE partnership cohorts. Overall the accounts presented a very positive surplus position reflecting the significant level of current activity.

Members discussed the implications of the recent contract awards including the impact on expenditure and contingency in relation to delivery costs, capacity, the level of contribution from the additional income and the balance of in-house and sub-contracted delivery. In response to a question on the in-year growth payment and the usual lagged funding approach, it was confirmed that whilst this was a regular occurrence within the sector, the timing of the payment remained dependent on availability of DfE funds. A query was raised on the additional DfE funding received in relation to recruitment and retention of staff following the pay award agreed in December.

Part of this item is recorded confidentially under minute 24/05a.

Members acknowledged that the various partnership risks had been highlighted by the SLT previously to enable full consideration by Corporation when agreeing to progress individual contracts.

In response to a member's question on overspends in non-staff costs it was noted that work was ongoing to investigate issues with awarding bodies where a number of areas had seen price increases, reflecting the current market. It was proposed to review arrangements to fully understand the situation and consider the College's position and influence in the context of the significant spend in this area.

Members noted the exceptional financial position of the College at 31 December 2023.

24/06 Westfirst Financial Monitoring to 31 December 2023 (Paper B2)

Members received and noted the Westfirst Limited financial reports to 31 December 2023.

24/07 Capital Developments - Update (Paper B3)

Paul Bradley presented Paper B3, which updated on the College's major capital projects.

Members noted that snagging works at THE Hub were 95% complete with the final issues due to be addressed by February half-term. The official opening of the building was scheduled for 21 March with all Governors invited. Paul confirmed that this was the final update to the Committee with the project now signed-off.

Paul updated that planning permission for the artificial grass pitch had been approved unanimously in January. The decision notice had been received the previous day following a further delay, however work was already in progress to discharge the planning conditions. In response to members' comments on the risks and impact of the delay in securing planning approval members were updated on discussions with the planning authority and were supportive of the approach taken.

Members noted that the construction works to Promotion House were on target and expected to finish by the end of June. Work was ongoing with curriculum teams to ensure the building met their requirements.

Members noted progress on THE Hub project, the Artificial Grass Pitch and Car Park Relocation Project, and Promotion House, Langley Moor.

24/08 Review of Financial Regulations and Procedures (Paper C1)

Paul Bradley presented Paper C1, the annual review and update of the College's Financial Regulations and Financial Procedures.

Members noted the updates covered: changes to reflect the updates to Committee Terms of Reference approved in July 2023, reference to the incoming Procurement Act 2023 (applicable from October 2024), change to the issuing of cash advances to be in exceptional circumstances only, change to overseas travel to reference compliance with the College's Travel Policy, inclusion of electric vehicle mileage rates and reference to appointment of external consultants/professional services in compliance with the Procurement Policy.

After careful consideration of the revised documents and review of the proposed changes, **members agreed to recommend to Corporation that the revised Financial Regulations and Financial Procedures were approved.**

24/09 Treasury Management Report (Paper C2)

Bob Metcalf presented Paper C2, the Treasury Management Report, which was required to be presented to the Finance & Resources Committee on an annual basis under the Treasury Management Policy.

Members noted that whilst the College was holding funds in an interest bearing current account to enable access to pay invoices relating to its capital projects, this also had a higher interest rate than the College's long-term accounts. There had been a significant increase in the interest earned on cash balances from the previous year. Bob advised that the College was currently working through a move to a more traditional approach to deposits in future, consistent with public sector reclassification.

Members reviewed the proposed changes to the Treasury Management Policy, which ensured the policy reflected the need for compliance with HM Treasury's Managing Public Money Framework.

Members noted the positive impact of treasury management for the period January 2023 to December 2023 **and approved the amendments to the Treasury Management Policy.**

24/10 Review of Tuition Fees Policy 2024/25 (Paper C3)

Adele Dowson presented Paper C3, which outlined the tuition fees for the 2024/25 academic year. The proposals covered Education and Skills Funding Agency (ESFA) funded courses (full and part time), Apprenticeships, Higher Education funded courses (full and part time), full cost courses and international tuition fee rates.

Members raised a point of clarification on the approach to co-funded students and in response to a question on HE fee levels, it was confirmed that the College was previously charging less than other providers and would remain competitive following the increase. It was confirmed that the increase would also apply to the College's HE partnership provision. In response to a member's question on the comparison between fees for full and part time degrees, it was confirmed that part time students did not pay more than those studying full time and the curriculum planning process ensured that the hours and support for students were reflected in student fee levels. Consultation and benchmarking activity also confirmed the College's fees were consistent with other providers.

Members noted the changes and approved the Fees Policy for the 2024/25 academic year.

24/11 Gender Pay Reporting (Paper D)

Elaine Bonham presented Paper D, the Gender Pay Report, which provided a breakdown of the College's gender pay gap as at 31

March 2023.

Elaine reported that the gender pay gap (utilising the median pay figure as the most commonly reported) had decreased slightly (0.77%) on the previous year at 25.2%. Members reviewed the gender distribution across the four quartiles over the last four years as detailed in the report. Although the proportion of females within each quartile appeared to have been relatively consistent, there had been a slight increase in the number of males at the lower middle quartile and an increase in females at the upper middle quartile. It was noted that the College's gender balance was not consistent across the quartiles, with a large imbalance of female staff in the two lower quartiles. This alone was a significantly contributing factor to the College's gender pay gap.

Members noted that whilst the gap was reducing the College was on a journey and there were a number of factors impacting on the position. Elaine updated that the College was developing a focus on equality diversity and inclusion (EDI) including seeking an external perspective on any other actions that could be taken to address the position. Members acknowledged the difficulties in using the gender pay gap as a measure and welcomed the proposed approach to seek an external view and advice on practical approaches. Members discussed the issue and considered a number of issues including: the variation between different colleges although these did not always compare like with like, recognition that the measure reflected structural societal issues that would take generations to address but that the College as a learning provider had a key role in doing so and helping to change stereotypical gender roles, the importance of reviewing the report each year to understand trends, the impact of pay awards and overall awareness raising and consideration of the issue, regardless of any government requirement to do so.

Members noted the report and **approved that the data detailed within would be published in line with the College's legal reporting obligations.**

24/12 Health and Safety Update (Paper E)

Elaine Bonham presented Paper E, the Health and Safety update on key performance and activities since the start of the academic year. Members reviewed the update in relation to accidents, noting one RIDDOR reportable accident in the period, there were no open liability claims, an update on the inspection programmes to ensure staff and student safety attending college, the employer vetting programme for placements and apprenticeships, staff training programmes Health & Safety Committee meetings and the recent outcome of the internal audit review of the Health and Safety department, which found there was a substantial level of assurance in place.

Members noted the report.

24/13 Strategic KPIs 2023/24 – update (Paper F)

Karl Fairley presented Paper F which provided the latest update (to 31 December 2023) on performance against the agreed Corporate Services strategic KPIs.

Members reviewed the performance for each area. Karl drew attention to the adjusted current ratio which was below target as highlighted earlier in the meeting as part of the financial monitoring report, and also clarified that the internal audit assurance measure was now on track as final reports were being presented to the Audit and Risk Committee in accordance with the agreed annual plan. Members sought clarification on the measures relating to capital projects (SKPIES2) and the statutory accounts (SKPIF8) and Karl explained how these were defined and interpreted for the purposes of the current report, emphasising that any concerns would be reflected in the report narrative.

Members commented on the proportion of reports categorised as confidential on the agenda and reiterated the importance of discussing the draft confidential business policy at the next Corporation meeting. Members commented positively on the KPI report format and welcomed the progress across the suite of performance measures. It was noted that the report format was now harmonised across all strategic KPI reports.

Members noted the report.

24/14 Any other business

The Chair advised that this was the last Finance and Resources Committee meeting for Christine Warren as her term of office was due to expire at the end of March 2024. The Chair thanked Christine on behalf of the Committee for her valuable contribution to the Committee in her time as a member.

24/15 Date of next meeting: 8 May 2024

Signed.....**Date**.....