

The Corporation of New College Durham

**Minutes of the meeting of the Finance and Resources
Committee held on 20 November 2024**

Present:

Stephen King (Chair)
Andy Broadbent
Chris Patterson

Rhiannon Hiles
Philip Pollard

Apologies:

Karl Fairley

In attendance:

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)
Colleen Peters (Vice Principal)
Adele Dowson (Vice Principal) – to 24/71
Rob Graine (Vice Principal) – to 24/71
Francesca Smith (*Director of Marketing and Admissions*) – to 24/71
Caroline Winter (Head of Governance & Corporation Secretary)

Action

24/67 Chair's introduction and starred items

The Chair welcomed everyone to the meeting and noted that this was Philip Pollard's first meeting since joining the Committee. Members were reminded to declare their interests in any item of business to be discussed at the meeting. No interests were declared.

The Chair provided some context to Westfirst Limited, the College's subsidiary company, for the benefit of new governors, explaining that the financial monitoring report was regularly considered as a starred item due to the current level of activity. The approach would be reviewed moving forwards with the anticipated increase of lettings activity following completion of the Artificial Grass Pitch.

Members confirmed that they did not require any further discussion about the starred agenda items C and E2.

24/68 Apologies for absence – none.

24/69 Minutes of previous meeting

The minutes of the meeting held on 9 October 2024 were agreed as an accurate record.

24/70 Matters arising

24/55 – the Chair confirmed that discussions in relation to the regional Centre of Hospitality Excellent were currently being progressed.

24/71 Marketing Update (Paper B)

Francesca Smith presented Paper B, the Marketing update.

Members were briefed on the recruitment position for 2024/25 across FE and HE, progress on recruitment activity for September 2025, the results of the summer recruitment campaign, admissions data for 2025/26 recruitment, and campaign and events plans for 2024/25 as well as other initiatives during the coming year.

Members commented on the significant level of coverage by the various campaign activities and noted the impact of the change in delivery of information advice and guidance (IAG) on the number of offers accepted. Francesca confirmed that the IAG approach was being reviewed with curriculum teams to reduce the number of contacts before a student was able to accept an offer and it was noted that this would also provide a more accurate picture for curriculum planning.

Members observed the increase in marketing and campaign activity compared with previous years and commented on the effective use of a wider range of advertising channels, which was visible to governors as a greater NCD marketing presence. Francesca explained the approach to timing activities appropriately to key points in a learner's decision-making process. In response to a member's question Francesca detailed how the team's close working with an external agency enabled the testing of new approaches.

Members thanked Francesca for a very positive update and commented that the regular updates to the Committee had improved their understanding of activity and impact. It was agreed to highlight the update to all governors at the next Corporation meeting.

Francesca Smith, Adele Dowson and Rob Graine left the meeting.

24/72 Enrolment Update 2024/25 (Paper C)

Members received and noted Paper C, which provided an update on Further Education, Apprenticeships and Higher Education recruitment to 18 October 2024.

24/73 New College Durham Draft Annual Accounts 2023/24 (Paper D1)

Bob Metcalf presented Paper D1, the draft annual accounts of New College Durham for 2023/24.

Bob advised that the College was working through the final stages of the audit process with the external auditors, who would report their management letter to the Corporation alongside the final version of the accounts on 12 December 2024.

Members noted the final surplus position and Bob explained the factors which had impacted on the projected surplus over the course of the year, including the contribution from HE partnership collaborations, additional funding from Bootcamp and Shared Prosperity Fund contracts, additional funding from the Office for Students, European Social Fund project changes and additional government funding to support college pay. Bob also explained that whilst the College's cash position was strong, this was artificially inflated due to a portion of funding being held on behalf of the North East Institute of Technology (NEIoT), that would be repaid in respect of NEIoT partner projects which had not been delivered. Bob advised that the financial health score indicated a provisional rating of Outstanding for another year.

Members commented that there were no surprises in the report which reflected the updates the Committee and Corporation had received during the year, but queried whether the budgeted surplus had constrained the College's activities during the year, when the final surplus presented a significant increase on the projected figures. Bob advised that the College continued to take a prudent approach in setting the budget and reflected the external auditor's approach to the going concern assessment. Where income was subject to a bidding process or resulted from additional funding announcements made during the year this was not guaranteed and therefore not included. It was also noted that much of the additional income was non-recurrent and that some contracts outside of core funding were short term in nature with no guarantee of extension. The Principal confirmed that the College's prudent approach had not prevented any activities during the year, that the cash position was an enabler in delivery and that this approach ensured a careful approach to expenditure was always maintained. Members commented that the College was dealing with the 'problem' of success and recognised that there was little option but to act in accordance with the auditor's approach.

The Chair commented that the discussion had been helpful to ensure that the Committee understood the rationale for the prudent approach to the budget and provide assurance that this did not negatively impact on the College's plans and activities.

Members noted that the draft accounts were also due to be reviewed by the Audit and Risk Committee on 25 November 2024.

Members agreed to:

- Note the financial results as shown by the Financial Statements presented in Appendix 1 of the report.
- Recommend the Corporation receive and approve the Financial Statements for the year ended 31 July 2024 (subject to any final disclosure amendments).

24/74 Westfirst Draft Annual Report 2023/24 (Paper D2)

Bob Metcalf presented Paper D2 the draft annual accounts of Westfirst Limited for 2023/24.

Members reviewed the financial statements and noted that some minor changes may be made to the final narrative following discussions with the auditors. Bob advised that the accounts reported a small loss for the year as had been expected and reminded members that it was expected that increased lettings activity would be reflected in the Westfirst accounts next year.

Members noted the net liabilities position and that Corporation would be expected to agree to provide a letter of comfort to Westfirst to confirm its continuing support.

Members noted the annual report and financial statements for Westfirst Limited for the financial year 2023/24 covering the period 1 August 2023 to 31 July 2024.

24/75 Financial Regulations – Use of Single Suppliers 2023/24 (Paper D3)

Paul Bradley presented Paper D3, the annual report on the use of single suppliers for goods and services and the execution of works in 2023/24.

Members reviewed the instances in which the Chief Finance Officer approved the waiver of minimum written tenders during the year.

Members welcomed the transparency in the details provided and agreed to note the report.

24/76 Financial Monitoring to 30 September 2024 (Paper E1)

Members reviewed the Financial Monitoring report to 30 September 2024 and noted this reporting period had previously been considered at the November Corporation meeting. Bob explained that the report did not reflect the Term 1 update position and that when this was available adjustments would be made to the budget to reflect the position based on actual student numbers.

Members agreed to note the financial position at the end of September 2024.

24/77 Westfirst Financial Monitoring to 30 September 2024 (Paper E2)

Members reviewed and noted the Westfirst Limited financial reports to 30 September 2024.

24/78 Capital Developments – Update (Paper E3)

Paul Bradley presented Paper E3, which updated on the College's major capital projects.

Members noted the updates detailed in the report as provided to the November Corporation meeting and were briefed on recent developments in addressing some of the current capacity issues faced by the College.

Part of this item is recorded confidentially under minute 24/78a.

24/79 Review of cost of living pay award (Paper F)

Elaine Bonham, Bob Metcalf and Paul Bradley presented Paper F, which outlined the key considerations in recommending a cost of living pay award for 2024/25.

Part of this item is recorded confidentially under minute 24/79a.

24/80 Employee Satisfaction (staff survey) (Paper G1)

Elaine Bonham presented Paper G1, which summarised the results of the 2024 staff survey and follow up activity. Members reviewed the key findings and discussed the key themes around workload, pace of change, health and wellbeing and artificial intelligence which had been included for the first time this year.

Members welcomed the detail in the report and discussed specific activities the College had put in place to address challenging student behaviour linked to responses around 'learners being supported to develop positive attitudes to learning and work'. Governors cited the example of the use of drug dogs on site and it was noted that this had been well-received in providing assurance to students and staff with a strong message that the College was responding to behaviour issues. Members commented that the increase in behaviour challenges extended beyond the College across the region and country and commended the College in responding in a constructive way and ensuring a consistent message. Members commented that the survey demonstrated a good level of staff engagement, reflected what was happening on the ground and helped provide assurance that the senior team were aware of issues of concern to staff and were addressing them.

Members noted the report.

24/81 Draft Annual Health and Safety Report 2023/24 (Paper G2)

Elaine Bonham presented Paper G2, the Annual Health and Safety (H&S) Report, which provided assurance to members on the implementation of health and safety requirements and provided an overview of key Health and Safety performance measures and wider business concerns for the year 2023/2024.

Members reviewed the report which detailed the review of the College's risk assessment documentation and forthcoming review of the Health, Safety and Welfare Policy, accident/incident statistics for the year, the continued high level of compliance with legal requirements and recognised standards, the focus on contractor spot inspections to reflect ongoing high-risk works, the work of the Health and Safety Committee, ongoing health and safety training programmes, confirmation of no public or employer liability claims and the ongoing regime of inspections and employer vettings.

Members welcomed the assurance provided in the detail of the report and commented that this reflected the updates to the Committee received through the year.

Members agreed to note the report and referral of the Health and Safety Statement to Corporation.

24/82 External Funding Update – verbal update

This item is recorded confidentially under minute 24/82a.

24/83 Strategic KPIs 2024/25 – update (Paper H)

Members reviewed and noted Paper H, which provided the latest update on performance against the agreed Corporate Services Strategic KPIs for 2024/25.

24/84 Any other business – none.

24/85 Date of next meeting: 12 February 2025