

THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE
CONFIRMED MINUTES OF CORPORATE SERVICES MEETING 12.12.2022

PRESENT: P Studd (Chair, CG), H Ashton (CG), S Brown (EM), J Castor (CG), R Davies (CG), M Lamb (CG), Z Lewis (Principal/Chief Executive), D Lusardi (CG), S Mirsalehi (CG), A Pajura-Jaszczak (Staff Governor).

OFFICERS: P Bland (Strategic Project Manager), Z Foster (Clerk), K Parkinson (ED), S Marshall (ED), M Russell – (VP), M Telling (Dir.), R Shuttleworth (Dir.), A Waller Amos (Dir.).

KEY:	CG – College Governor	EM – External Member	
	VP – Vice Principal	ED - Executive Director	Dir. - Director

1. Apologies for Absence and Welcome to new Governors

P Sharp (CG), S Wilson (EM).

P Studd welcomed J Castor and A Pajura-Jaszczak to their first Corporate Services Committee meeting.

2. Declarations of Interest – no declarations noted.

3. Unconfirmed Minutes of 04 July 2022 - approved as a correct record.

4. Matters Arising– all complete

5. Strategic Overview

5.1 Reclassification of the Sector

M Russell talked to his comprehensive report on the immediate information regarding reclassification of the sector (all high level) and of current work by SLT on immediate sign offs required for TTE.

Governors discussed: the impact of borrowings changes on current capital projects particularly in relation to the length of time/resourcing for increased central decision making; restrictions and potential positives of the reclassification; subsidiaries; and timescales for current capital project and decisions (end of January 23).

5.2 Principal/Chief Executive's Verbal Overview and Risk Summary

Z Lewis gave a brief overview of key discussion and risks for Committee consideration as part of the meeting. She drew particular attention to energy increases, staff recruitment, retention and turnover, pay award decisions, reclassification of the sector and the impact of those issues on students and the College.

5.3 Strategic Projects Update including TTE Update

P Bland gave a brief update in relation to the T Level project and update on the situation with ESH.

He then gave a full update on the TTE project and timescales for clarity of costs (end January 2023 in the first instance) particularly in light of the impact of ONS reclassification.

To note - an extraordinary meeting of the Committee would likely need to be convened early in the Spring term to ensure progress.

Z Lewis also updated the Committee on receipt of a green energy grant to be used by the College over the next two years and of options for use of the funding.

Discussion and questions included: update on piling activity; TTE current lease contract and related decision making; solar panel installation/payback and complexities of potential wider usage; additional energy saving options (including LED lighting); and clarification of roof surveys.

5.4 Education and Skills Financial Assessment

M Russell briefly outlined the expected Financial Health grade of 'good' which was approved by the ESFA.

6. Finance Matters 2022-23

6.1 Financial Statements 2021-22

M Russell gave an overview of the eight sets of accounts presented for approval to the Governing Body (which were also due to be recommended for approval by the Audit and Risk Committee via written resolution). He confirmed **Good** Financial Health and updated regarding the College's Golden Rules. He also detailed the External Audit process and confirmed that all Audit work would be completed ahead of 15 December 2022 Governing Body approval.

The Committee's questions/discussion included: the Golden Rules; reclassification; energy costs; pension shift clarification; and potential future subsidiaries consolidation.

The Committee **agreed** to recommend the final statements for 2021-22 detailed below for formal approval by the Governing Body on 15 December 2022:

- 6.1.1 **Middlesbrough College Financial Statements for the year ending 31 July 2022**
- 6.1.2 **Northern Skills Group Business Services Ltd Financial Statements for the year ending 31 July 2022**
- 6.1.3 **Northern Apprenticeship Company Limited Financial Statements for the year ending 31 July 2022**
- 6.1.4 **TTE Technical (UK) Ltd Financial Statements for the year ending 31 July 2022**
- 6.1.5 **TTE International Ltd Financial Statements for the year ending 31 July 2022**
- 6.1.6 **TTE Apprenticeships Ltd**
- 6.1.7 **Middlesbrough College Management Services Limited (dormant) Financial Statements for the year ending 31 July 2022**
- 6.1.8 **University Centre Middlesbrough Ltd (dormant) Financial Statements for the year ending 31 July 2022**

The Committee also **agreed**:

- When presenting the above financial statements to Governors on 15 December 2022 the Vice Principal Finance and Registry provides an update on any changes that have been made to the financial statements since these drafts; and,
- If any changes are considered material the Vice Principal Finance and Registry will consult with the Corporate Services Committee Chair and, if it is deemed necessary, provide an update to the Corporate Services Committee members prior to presentation to the Governing Body.

6.2 Bank Loan Update and Treasury Management Annual Report

M Russell presented the annual report for the Committee. He reminded the Committee that as TTE would now need to be signed off by the DfE under the reclassification there were no decisions fixing of loan rates etc as previously determined at this stage of the year.

The Corporate Services Committee **approved** the 2021 / 2022 Treasury Management Annual Report for the College

6.3 Management Accounts (October 2022)

M Russell briefly presented the Accounts.

Discussion included: possible future Golden Rules revision and potential future capital grants.

It was noted that the Committee **agreed** the current variance to the Golden Rules in relation to EBITDA due to current exceptional circumstances (particularly energy costs and disruption to TTE international) with the understanding this would be reviewed (if required) once greater clarity was known.

Governors appreciated the clarity of contributions by curriculum as detailed within the accounts

6.4 Pay Award 2022-2023

Z Lewis detailed the rationale for the proposed agreement, which had been accounted for within the budget. She outlined the local position re strike action on pay and gave an update in relation to College and union discussions.

Governors discussed: the situation should an agreement not be reached with unions; the national and local picture re pay/retention etc.; the financial implications for the budget and in respect of different cohorts of staff ; risk management of the pay award; general support of living wage proposal; additional options; and staff turnover and vacancies as accounted in the budget.

The Committee **agreed** to recommend to the Governing Body the following pay award:

- A 3% consolidated pay increase from 1st January 2023 for all staff subject to meeting the relevant performance criteria
- that the implementation of the national living wage uplift be granted from 1st January 2023

6.5 Bad Debts

M Russell set out the bad debt position for 2021 / 2022 and the proposed write-off.

Governors discussed the reductions in bad debt over recent years and various aspects of IT equipment retrieval with the new devices policy for students.

The Committee **agreed** to recommend the write off of **£3,652** for 2021-2022 to the Governing Body for irrecoverable debts

6.6 Student Union Activity

The Corporate Services Committee received this report.

There was some discussion on the deficit figure in terms of value.

The Committee **agreed** to recommend that the 2021 / 2022 Student Union Activity be approved by the Governing Body as outlined above and approval of continued support of its activity going forward.

6.7 Financial Regulations Annual Update

M Russell highlighted the changes in respect of managing public money and other high level changes.

The Committee then **approved** the amended College Financial Regulations

6.8 Overseas Trips

M Russell reported that there had been no overseas trips taken in 2021-22.

6.9 Subcontractors Update

M Russell outlined the good progress within the subcontractor deliveries.

The Committee **agreed** to recommend for approval by the Governing Body at its meeting on 15 December 2022 the engagement of the following three subcontractors for 2023-2024:

- Greatest Expectations (TVCA and AEB)
- The Hope Foundation (TVCA)
- Uplift Associates (AEB).

7. Human Resources, Workforce Development and Payroll Update

7.1 Human Resources Annual Summary Report 2021-22 and 2022-23 Plans and Priorities

K Parkinson outlined key aspects of the report including mechanisms to decrease staff turnover and increase recruitment.

Governors discussed: aspects of recruitment and retention including flexible working, market supplements, and the employee assistance programme; the low sickness figures for the College; the potential impact of reclassification on staffing; and the possible implications of Harpur v Brazel on holiday pay for the College.

8. Campus Services Update

S Marshall drew attention to progress with the capital plan (roof works); the positive effect of the TUPE of cleaning staff; security issues and mitigations and future actions in relation to disruption and behaviour issues; an update on the Health and Safety re-audit with good progress outlined and the impact of greater energy analysis and associated energy saving measures.

Governors' questions and discussion included: EPC ratings; reasoning for reduction on energy costs and future options; business rates; and sustainability.

9. Digital Services Update

R Shuttleworth gave an update of the recent work of the core network upgrading and additions to the security and compliance team. He also drew attention to progress against the digital strategy and related KPI satisfaction scores; the Microsoft Showcase status and related student videos; and the monitoring of digital and cyber by the Audit and Risk Committee (including the sourcing of future training for governors).

Governors' discussion and questions included: out of hours cover and monitoring and associated risks, vulnerability scan usage; further information on device retrieval/depreciation and reduced costs of devices going forward, and testing of staff and students in relation to cyber security.

Governors voiced greater assurance within the digital area and were supportive of the direction of travel and progress against the strategy.

Governors also congratulated the College on the Microsoft Showcase status and positive effect the devices strategy had on students.

10. Business Development

10.1 Marketing and Communications Update

A Waller Amos gave an update in relation to recruitment across all of the faculties; careers guidance; and wider marketing activity (including the World Skills and recent employer events), tracking and future campaigns.

Z Lewis drew attention to local and national concerns on 17 year old NEETs (also reflected within the College) and keeping students in education till 18 as per the law and there was some discussion on reasons and additional actions for internal transition.

Governors further discussed: alternatives and additions to in-school visits; NEETS; and market share analysis and campaigns.

10.2 Employer Engagement Update

M Telling gave a comprehensive overview of key employer engagement activities focussing on various aspects relating to apprenticeships; employer relationship building activities and the use of the new CRM system.

Governors had a full discussion on apprenticeship recruitment, use of the levy and how this might change going forward within the current labour market.

10.3 International Update

M Telling updated the Committee on progress including the wind down of work within the Ukraine, contract extensions and of future opportunities in Africa.

11. Committee Review of Top Risks

The Committee considered the top risks again: Reclassification; TTE capital move; recruitment and turnover of staff; and energy costs and **agreed** that they were still the top risks with staff turnover being the area which most affected the learning of students.

There was further discussion on other areas including: physical security around campus and it was noted that the health and safety scoring within the risk register had been increased to accommodate this; and the potential impact of any industrial action on student learning.

Z Lewis also drew attention to possible plans to increase exam space through adapting one floor of our Learning resource centre. This space is badly needed to accommodate exams, resits and concessions and the current space (including a quiet study area) is no longer as fully utilized in the current digital climate of study. She would update the Committee in due course.

12. Date and Time of Next Meetings 2023

12.1 Monday 6 March 2023 at 2pm

12.2 Monday 10 July 2023 at 2pm (Joint with GB)

13. Any other Business

None taken.

The meeting ended at 4.50pm