

**THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE**  
**CONFIRMED MINUTES OF CORPORATE SERVICES MEETING 09.12. 2024**

**PRESENT:** J Castor (Chair, CG), I Anwar (CG), S Brown (CO), R Davies (CG), M Lamb (CG), Z Lewis (Principal/Chief Executive), D Lusardi (CG), S Mirsalehi (CG), A Pajura-Jaszczak (Staff Governor), P Sharp (CG).

**OFFICERS:** Z Foster (Head of Governance), S Langstaff (VP), K Parkinson (VP), G Potts (VP), S Marshall (VP), O Rodley (VP), B Robinson (Deputy Principal), R Shuttleworth (CTO).

For Item 5.2 – P Bland (Strategic Project Manager)

For Item 5.4 – S Curry (Senior Data and Reporting Analyst), J Wells (Director of Digital Innovation).

For Item 10 – P Blewitt (AP), M Telling (Dir.), A Waller Amos (Dir.).

**Key:** CG – College Governor                      CO – Co-opted Governor                      VP – Vice Principal  
CTO – Chief Technology Officer                      AP – Assistant Principal                      Dir. – Director

**1. Apologies for Absence**

No apologies were received.

**2. Declarations of Interest** – no declarations were noted.

**3. Unconfirmed Minutes of 08.07.2024** – were approved as a correct record.

**4. Matters Arising** – all matters were complete with the exception of one item (new HR system) where a full update would be given once fully implemented.

**5. Strategic Overview**

**5.1 Principal/Chief Executive's Report and Presentation – Overview and Risk Summary**

Z Lewis gave a confidential update to the meeting which gave context to the detailed reports and interrelated decisions (and associated timelines) which the Committee discussed in full.

**5.2 Strategic Projects Update including TTE Update**

The Corporate Services Committee thanked the Project Team involved with the successful implementation of the TTE new build.

P Bland then updated the Committee on the full TTE new build usage; completion of additional works (such as the mezzanines) and training on new equipment and of new staff more widely.

Discussion and questions included: Minor teething problems with new build; health and safety review and update/actions; effects of inflationary increase on build; and date/process for retention from TTE build (April 2025).

*P Bland left at 2.45pm*

**5.3 Education and Skills Financial Assessment**

S Langstaff briefly outlined the confirmation from the ESFA on the College's Financial Health grade of 'good' for 2023-2024 and 2024-2025.

**5.4 Digital Transformation Strategy Update presentation**

R Shuttleworth, J Wells and S Curry gave a full update in relation to the digital transformation strategy focusing on the general strategy itself, AI progress including a toolkit for both teachers and business support which would be introduced on the staff CPD day (January 6<sup>th</sup>), and advancements within the data provision (where a demonstration was shared).

Questions and discussion included: how easily data could be extracted and used; how data was vetted/cleansed; clarification on potential hacking of the system; reasoning for bespoke system and the potential to develop this either with Microsoft or commercially; and the extensive benefit and use of the quality data sets now available to the College with these developments.

## 6. Finance Matters 2024-2025

### 6.1 Update on Budget and 3 Year Plan

S Langstaff gave a comprehensive picture of the updated budget forecast for 2024-2025 and detailed the movements within the budget to forecast bridge outlined in the report.

The Committee had a full discussion which included: scenario testing in relation to cash days if 3% award returned; the lagged funding issue generally (and historically) and also in relation to greater number of students enrolled this academic year; future strategies for areas of under recruitment; potential risk of greater capital need particularly for specialist spaces; greater social space requirements (and some possibilities); the effect of demographics and when this will reverse and associated flexibilities; the increase in NEETs locally and options; the short term benefit of some capital grants filtering through; staff retention and additional ways to secure this; EBITDA changes and clarification; AoC pay award recommendation (min 2.5%), negotiations and timing of securing a decision for the College (ideally by February half term at the latest).

The Committee **agreed** to recommend to the Governing Body (on 16 December 2024) the revised budget forecast and associated virements as detailed below:

- The updated forecast shows an historic cost surplus of £463k in line with the budget surplus of £462k.

#### Summary movements vs Budget 24/25:

	Budget £	Increase £	Reduction £	Revised Budget £
<b>Income</b>	60,354,951	2,856,780	-632,956	62,578,775
<b>Pay Costs</b>	37,060,800	1,301,711	-632,956	37,729,555
<b>Non-Pay Costs</b>	22,995,840	1,555,069	0	24,550,909
<b>Operating Surplus</b>	298,311	0	0	298,311
<b>Historic Cost Surplus</b>	462,440	0	0	462,440

It was also **agreed** to add a further cash days KPI in for the next meeting.

The Committee also requested any updates upon decisions on the key movement areas as they came through. It was hoped that an update would be available at the February training day.

### 6.2 Financial Statements 2023-2024

S Langstaff gave an overview of the five sets of accounts presented for approval to the Governing Body (which were also being considered for approval by the Audit and Risk Committee on 13 December 2024) in which there was little variation to the July Management accounts and returned a 'good' financial health outcome. She confirmed that despite some minor final pieces of audit work to complete, a clean audit was expected with a final set of accounts available for signing by the deadline.

Committee members clarified a small number of areas including: whether buildings were valued and reasons why not; where the delalps provision sat (within the main accounts) and confirmation that the financial year would remain as was (for the current time).

The Committee considered each set of statements in turn and then **agreed** to recommend all five sets for formal approval by the Governing Body as outlined below:

#### 6.2.1 Middlesbrough College

#### 6.2.2 Northern Skills Group Business Services Ltd

#### 6.2.3 Northern Apprenticeship Company Limited

#### 6.2.4 TTE Technical (UK) Ltd

#### 6.2.5 TTE International Ltd

The Committee also **agreed** that when presenting the above financial statements to Governors on 16 December 2024, the Vice Principal Finance and Registry would provide an update on any changes that have been made to the financial statements since these drafts; and, if considered material the Vice Principal Finance and Registry would consult with the Corporate Services Committee Chair and, if deemed necessary, provide an update to the Corporate Services Committee members prior to presentation to the Governing Body.

### **6.3 Bank Loan Update and Treasury Management Annual Report**

S Langstaff gave an overview drawing particular attention to the cash days plan.

The Corporate Services Committee **approved** the 2023-2024 Treasury Management Annual Report for the College.

### **6.4 Management Accounts (October 2024)**

S Langstaff presented the accounts against the budget as set.

The Committee considered the variance of budget to actual accounts and where phasing occurred (and should be shown).

It was **agreed** that for the next set of accounts that the budget phasing should be matched to historic spend patterns in the next set of accounts.

### **6.5 Pay Award**

The detail from the report was discussed.

The Committee **agreed** to recommend deferment of a pay award decision to the Governing Body (as per the issues outlined within the report).

In addition, it was **agreed** that the Committee would be kept abreast of outcomes of bids, capital allocation and certainty in some funding streams as they came through.

### **6.6 Bad Debts**

S Langstaff set out the bad debt position for 2023-2024 and the proposed write-off. She detailed further controls now in place to review such debts on a monthly basis.

Governors questions and discussion included: confirmation that the bad debt goes back to the relevant department; greater detail on two debts; and an update on the LA funding issue.

It was **agreed** that in the future, the report would show all bad debts not just individual.

There was also a request to put the detail as a result of the monthly checks into the Management Accounts going forward.

The Committee **agreed** to recommend to the Governing Body at its 16 December 2024 meeting the write off bad debts in excess of £1,00 of **£52,185** for 2023-2024 to for irrecoverable debts.

### **6.7 Financial Regulations Annual Update**

S Langstaff detailed the annual update of the Financial Regulations, outlining minimal changes with one exception. The one major change was the proposal to remove the removal of procurement details from the Scheme of Financial Management and Control and replace this with a standalone policy (in light of the new Procurement Act from Feb 2025) which would go to the Governing Body for approval at its December meeting.

The Committee **approved** the College Financial Regulations and Scheme of Financial Management and Control (including the removal of procurement from the Scheme).

### **6.8 Overseas Trips**

S Langstaff introduced this report which was primarily to report (as statutorily required) on Governor and Senior Postholder trips. The report included other trips by staff for information.

### **6.9 Subcontractors Update**

G Potts gave an update on subcontractors performance including changes to the contract revision for the Hope Foundation and 3T. He also updated in respect of the new subcontractor Rely on Nutec where delays to delivery meant a January start.

Questions included: potential risk if bootcamps did not go ahead with discussion about support and monitoring in place to prevent this; and detail of payment terms to subcontractors of which confirmation would be given once checked.

#### **6.10 Procurement Update**

S Langstaff detailed the preparations which had taken place ahead of the introduction of the new Act from 24 February 2025.

The Committee **approved** the Procurement Policy for operation from the date of the Act coming into force (24 February 2025) subject to minor amends relating to procurement within a set time limit.

The Committee confirmed that a Procurement Update item would be on the agenda for each meeting at least for the current year or longer until such times as the new rules were fully embedded.

### **7. Business Departments – SAR Grades and Key Themes**

O Rodley gave a brief overview of the SAR review outcomes for Business Support departments, all of which were graded 'good' with the exception of Marketing which was graded 'outstanding.'

Departments would present an update at the March meeting of the Committee (as previously agreed).

### **8. Human Resources and Workforce Development**

#### **08.1 Human Resources Annual Summary Report 2023-2024 and 2024-2025 Plans and Priorities and 08.2 Update on new HR System**

K Parkinson gave an update highlighting progress in relation to turnover and live vacancies. She also detailed the various elements of the TTE move including ongoing CPD.

Governors discussed: clarification on turnover figures; increase in sickness and how this compared nationally (still low); an update on progress for the new modules for the HR system and moving priorities; drop in vacancies both in College and beyond and potential reasons for this; concern re future apprenticeship recruitment in light of greater employer costs in recent budget; where market supplements were being utilized; and the benefits of the 6K bursary for new teachers in some areas (with 60+ applicants within MC) but also discussion on the potential negative effect for those not in those areas/established teachers and of future funding of such payments.

### **9. Campus Update**

S Marshall gave an update to her written report including: the small amount of damage as a result of the storm weather; improvements with compliance figures; investigation of two Riddor incidents and an update in relation to the competency audit of which phase one had now been completed.

**9.1.1 Sustainability Strategy and Action Plan** - an update was also given in relation to the new sustainability action plan and general progress which was now at the longer term 'embedding' level on the pathway..

Governors' questions and discussion included:- an update on the solar panel usage and output which was as projected; the impact of the Salix bid if successful in advancing the sustainability agenda; notices for TTE and STEM in relation to Riddor; and outside screen usage.

### **10. Digital Services Update**

R Shuttleworth updated the Committee on the successful enrolment digitization objectives; MC Click monitoring and actions; excellent progress in relation to KPIs and the development of IT Digital Partners across the College.

### **11. Business Development**

#### **11.1 Marketing and Communications Update**

A Waller Amos gave a positive update in relation to applications for next year which were up 12% on this time last year overall; details of specific marketing and communications for each of the faculties and of upcoming campaigns across a range of areas.

#### **11.2 Employer Engagement Update**

M Telling gave an appraisal of the first quarter which had been somewhat challenging in some areas and of positive developments going forward; and an update in relation to business development developments

including the successful engineering scholarship programme, the partnership with bp; and detail of a range of successful networking and events.

### **11.3 International Update**

M Telling detailed some positive movement for 2024-2025 in a number of key areas.

Governors' considered the potential upturn in progress and related complexities (many outwith the College's control).

## **12. Committee Review of Top Risks**

The Committee confirmed that physical onsite space and uncertainty on income opportunities were both key risks.

## **13. Date and Time of Meetings 2024-2025**

- Monday 17 March 2025 at 2pm
- Monday 7 July 2025 at 2pm

## **14. Any other Business**

Training Day ideas – to include an update on the uncertain elements of income and the impact on education of new Government Policies/budget.

## **15. Report Reflections**

*Agreement that:*

- reports were improved generally
- the initial presentation by Z Lewis was extremely useful

That the March meeting include:

- a focus on HR and progress of new systems
- Business support KPIs and QiPs presentation

The March agenda would be further considered post February Training session by J Castor/relevant SLT.

*The meeting ended at 5.17pm*