

THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE

Confirmed Minutes of Corporate Services Committee Meeting of 10 December 2018 at 2.00 pm

PRESENT: R Davies (CG and Chair), A Allen (CG), A Waller-Amos (Staff Governor), T Parkinson (CG), P Studd (CG), S Wilson (EM), Z Lewis (Principal/Chief Exec).

OFFICERS: Z Foster (Clerk) C Kipling (VP), J Steel (VP), A Stephenson (Dir), A Wond (Exec. Dir).

Key: CG – College Governor, EM – External Member, VP – Vice Principal, Dir – Director of HR, Exec. Dir – Executive Director.

1. **Apologies for Absence** – no apologies
2. **Minutes of Meeting of 02.07.2018** – approved and signed as a correct record
3. **Matters Arising** – the Clerk informed the Committee that all actions had been completed
4. **Strategic Overview and Financial Statements**

4.1 Principal/Chief Executive's Update – Z Lewis

Z Lewis gave a full overview of her report focusing on the key issues of budget and wider financial planning (including increasingly tough Financial Health triggers)

To note: Confidential item 4.6 was taken next. The detail would not be reported for publication

T Parkinson was not in attendance for item 4.6 (Declared Interest)

To note: T Parkinson returned to the meeting

Z Lewis then outlined the related business of the lease of the overflow carpark, primarily that:

- the renewal of the lease was needed
- College land would be required in order to accommodate the Snow Dome thereby requiring a flexible agreement by both parties.

The Committee discussed the approach to the possible car-parking lease arrangement with Middlesbrough Council and **agreed** the proposed approach to land transfer to unlock the snow centre development and to secure the College's long term car parking requirements.

4.2 Institute of Technology – Z Lewis

Z Lewis informed the Committee that the bid had gone in for 2.4 million on the basis that the College would pay the VAT (400K). Decisions were due January/February and there would be a comfortable timeframe for building should it be successful (with the build to be operational by September 2020).

Governors discussed a number of issues including the investment, planning, the building schedule and the potential impact on revenue and income with being linked to the IoT brand.

4.3 Financial Statements 2017-2018 – C Kipling

The Financial Statements were presented for Northern Skills Group Limited, Northern Apprenticeship Company Limited and Middlesbrough College. It was noted that there were some final additions to be added from the auditors but that figures were now fixed. The final statements would go to the Governing Body for approval next week.

The statements were discussed in full and some changes were suggested in relation to the presentation of detail to ensure clarity.

A full discussion also took place over the director status of the subsidiary companies and it was **agreed** to do some work on this over the course of the year.

The Committee agreed to recommend that the 2017 / 2018 Financial Statements (*Middlesbrough College 4.3.1-4.3.3*) be approved by the Governing Body at its meeting on the 18 December 2018, prior to them being signed and returned to the Skills Funding Agency before the 31 December 2018 deadline.

4.4 Financial Health Update – C Kipling

C Kipling updated the Committee including the ongoing pressure of the points system and expected further changes from the FE Commissioner's Office, an outline of the borrowing ratio and headroom information, the complexities of planning, and she confirmed that the situation was being closely monitored on a monthly basis.

A full discussion took place of further expected changes by the FE Commissioner in July, where the College was according to plan, and progress to get the College to a 'good' financial health position.

4.5 Management Accounts (October 2018) – C Kipling

C Kipling added to the paper including outlining the reduction in some income streams, an improved position for the September recruitment analysis, apprenticeship funding update, Adult Education Provision going forward with the Combined Authority, the College's operational surplus (with the proposed pay award), that subcontractors were working well, and ESFA feedback.

There was detailed discussion on the apprenticeship funding and levy both nationally and locally and the resulting volatility in the area, the possible impact of the Combined Authority for Adult Education and of the College's position in relation to future provision and potential changes.

The accounts were **agreed** for recommendation for approval at the Governing Body meeting on 18 December 2018.

4.6 Item taken under item 4.1

4.7 Pay Award – Z Lewis

Z Lewis reminded Governors that the College had not given a pay award for two consecutive years. She detailed the proposal for January 2019 (as per the report), outlined the updated sickness and maternity agreements, and detailed the positive negotiations with the unions which would result in being taken out of the formal dispute with UCU should the pay award go ahead.

After query, Z Lewis detailed the mechanisms for performance related pay for different cohorts of staff.

After detailed consideration of the College's financial position (including stabilization, the Ofsted result, other local colleges, affordability, where salaries were in terms of benchmarking and links to appraisal), the **Corporate Services Committee, agreed to recommend** to the Governing Body at its meeting on 18 December 2018 the following for all staff:

- A 1% consolidated pay increase, commencing 1st January 2019 and payable to all staff who achieve a first grade 3, grade 2 or grade 1 appraisal outcome.
- A 1% non consolidated one off 'bonus' payment, commencing 1st January 2019 for all staff who achieve a first grade 3, grade 2 or grade 1 appraisal outcome

5. Finance Matters 2017-2018

5.1 Bank Loan Update and Treasury Management Annual Report – C Kipling

C Kipling outlined the College's current situation in relation to the loans and of the interest rate strategy.

The Corporate Services Committee discussed in detail the interest rate product options **and agreed** to continue to float the loans.

The Corporate Services Committee **approved** the 2017-2018 Treasury Management Annual Report.

5.2 Bad Debts – C Kipling

After a full report and consideration, **it was agreed to recommend** that bad debt of £3,064 for 2017/2018 be written off, to be approved by the Governing Body on 18 December 2018.

5.3 Student Union Activity – C Kipling

C Kipling gave an update including the lower level of activity and income which was hoped to be reversed with relaunch of the NUS card.

It was agreed to recommend that the 2017 / 2018 Student Union Accounts to be approved by the Governing Body at its meeting on the 18 December 2018.

5.4 Financial Regulations Annual Update – C Kipling

C Kipling outlined the recent structure changes.

Governors discussed - HMRC compliance, contracts of employment, and the various allowances in operation. The Committee then **endorsed** the changes made to 11.9 and 12.7 of the Financial Regulations document.

5.5 Overseas Trips – C Kipling

C Kipling informed the Committee that there had been no trips for governors or senior postholders over the past year. There had been two curriculum trips for Erasmus both within the financial regulations.

5.6 Education and Skills Financial Assessment – C Kipling

C Kipling - Confirmation had been received from the ESFA to the College's 5 year financial plan of a 'satisfactory' grading.

Governors discussed the finance dashboard, staff costs and historic figures.

5.7 AoC 2018 Report on College Finances – Z Lewis

This item was for information. Governors had found it a user friendly and comprehensive document. *ACTION - Z Foster to issue it to all governors/external members via the weekly bulletin.*

6. Human Resources and Workforce Development

6.1 Gender Pay Gap Report 2018 – A Stephenson

A Stephenson updated governors on the headlines including the increased analysis since presentation in July; the positive comparison with 2016-17, the slight increase of median figures 2017-18.

Governors queried the increase in median figures. *ACTION by A Stephenson – to drill down to find out causes for that.*

After full consideration, the Committee acknowledged a good report and **agreed** to the publishing of this on the College website in the new year.

To note: A Allen left the meeting

6.2 Human Resources Term 3 Report 2017-2018 – A Stephenson

HR termly and Annual Reports 2017-2018 were presented and debated.

Topics raised included: leaver figures, recruitment timings, sickness absence reasons both long and short term, counselling provision and stress risk assessments, mental health wellbeing initiatives.

6.3 Human Resources Annual Report 2017-2018 - A Stephenson

Headlines included: average sickness figures of 3.93% (CIPD average for Education was 3.9%) and the aim to get back to 3%; return to work system; general staff profile; labour turnover, reasons for resignation and the need to further be able to capture this effectively; and launch of the staff survey in January.

Governors discussed and queried reasons for sickness and mechanisms for support particularly in relation to stress and wellbeing – which was a focus College via mindfulness, Mental Health awareness and resilience training.

6.4 Workforce Development Report 2017-2018

This was warmly received by the Committee.

6.5 People Strategy Draft – A Stephenson and J Steel

The update included the key themes/objectives discussed and agreed by the Staff Council and JCNC in September.

The draft was discussed including the role staff played in solutions, the HR dashboard, managerial training and employee engagement options.

It was **agreed** that consultation be **approved** for the Spring with a final version coming back to Corporate Services in March. *ACTION by Governors to forward any comments to the Director of HR.*

7. Recruitment, Admissions and Sales Update – C Kipling/A Waller-Amos

A full update was given of recruitment against plan; marketing activities including branding and student benefits regionally; HE and Access events; local college strategies; apprenticeship recruitment processes.

Governors queried and discussed - access to schools and colleges locally (which was mixed), following students through their learning life, information about where students come from, and local demographics and the effect on recruitment and admissions now and in the future.

ACTION by C Kipling to update for the Governing Body meeting on 18th December 2018.

To Note: T Parkinson left the meeting

8. Facilities Management Update – A Wond

A full update was given by A Wond who would be taking on this responsibility with the retirement of P Bland.

Governors discussed and queried aspects of security, contracts, savings and income.

Action by A Wond – to further develop reporting in relation to outcomes/presentational style.

9. IT Update – A Wond

A full IT Update was given by A Wond including progress in relation to Disaster Recovery and Penetration Testing outcomes and plans and using Skype for Business to reduce travel costs.

10. Date of Next Meetings – R Davies

10.1 Friday 8th March 2019 at 2pm

10.2 Thursday 4th July 2019 at 2pm

11. Any other Urgent Business – none taken

ACTIONS TO BE COMPLETED

ITEM	ACTION	BY WHOM	DEADLINE
4.3	Review director membership of Northern Apprenticeship Group and Northern Skills Group to ensure greater assurances	Committee	End of 2019
5.7	AoC Report on College Finances to be distributed to all governors	Z Foster	Within next governor email
6.1	Drill down on Gender Pay Gap median figures	A Stephenson	For March meeting
6.5	Give any feedback or comments on People Strategy draft to Director of HR	Committee members	Asap to go into consultation draft in Spring
7	Update Recruitment, Admissions and Sales report for GB meeting as required	Led by C Kipling	For Dec meeting
8	Develop reporting in relation to outcomes for future Facilities Management reports	A Wond	March meeting

The meeting closed at 5.40 pm

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