THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE

Confirmed Minutes of Corporate Services Committee Meeting of 4 July 2019

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

OFFICERS: Z Foster (Clerk) C Kipling (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.


Declarations of Interest
For this meeting H Ashton and T Parkinson had declared interests in relation to Item 4 which were outlined. The Committee agreed that they could remain within the meeting.

H Ashton had an ongoing interest as she was on the Board of NCFE.

2. Minutes of Meeting of 08.03.2019– approved and signed as a correct record.

3. Matters Arising – no matters arising

4. Strategic Overview
   4.1 Principal/Chief Executive’s Update (including Site Disposal and IoT) – Z Lewis
   Z Lewis gave a general overview.

   To note: Confidential item 4.1.1 and 4.1.2 – content not for publication.

5. Finance Matters 2018-2019
   5.1 Five Year Financial Plan to 2023/2024 – C Kipling
   C Kipling gave a detailed overview of the plan, which was its underlying position without Prissick. Of particular note was the College’s ability reach ‘good’ financial health 2018-19 and maintain this throughout the plan (which would be further strengthened with the Prissick monies).

   Governors’ questions and discussion included: lag funding and the effects on the plan; over recruitment of learners and options; local competition and demographics; devolvement of Adult Education and possible opportunities; apprenticeships and monitoring; HE and possible uncertainties; 1% pay award and whether this was sufficient; TPS and LGPS costs; cash flow generally and in relation to other colleges; borrowing; the potential risk of staff recruitment; and understanding Strategic Risk Management more widely across the Governing Body.

   The Committee requested some very minor amendments including:
   • Ensuring the facility headroom was identified clearly against the cash flow.
   • A comment that the intention is to strive for a pay award greater than 1%
   • An enhanced narrative by way of introduction to the risk management section
   Action by C Kipling to update this prior to circulation to the Board.

   It was agreed it was a prudent plan and should be recommended for approval.

   It was agreed that the release of the remainder of the Capital Budget would come back to the Governing Body Strategic Planning Day (27 September 2019) for approval subject to the enrolment caveats already outlined.
The Committee asked that the Full Governing Body be given the detailed Strategic Risk Register at its next meeting so all Governors had a greater understanding of the actions taken to manage risks. *Action by Z Lewis – Risk Register to form part of future Principal/CEO Report.*

The Committee agreed the following recommendation for approval by the Board of Governors on 15 July 2019:
- The 2019 / 2020 Revenue Budget, as detailed in Appendix 1 of the Five Year Financial Plan 2023-2024
- The Five Year Financial Plan to 2023 / 2024 be approved by the Governing Body at its meeting on the 9 July 2018

5.2 Financial Health Update – C Kipling
C Kipling informed the Committee that this would be ‘good’ and remain so. She had tested the sensitivities and would continue to do so.

The Committee debated in detail whether there was value in being ‘outstanding’ and balancing that with an excellent offer/environment for students. It was agreed that the quality of the student experience / environment was more important than an ‘outstanding’ financial health rating

5.3 ESFA Financial Statements Letter 2017-2018 – C Kipling
The ESFA Financial Statements Letter 2017-2018 had ratified statements and records presented in December 2018 as ‘satisfactory’. C Kipling also updated the Committee on the non-formal measure used by the ESFA of 15-day cash in hand and changes recommended by her which resulted in adding a revolving credit facility line which would assist the College in the future in relation to headroom. C Kipling updated the Committee on concerns re accuracy of some measures and how she relayed these to the ESFA.

Discussion included: points scoring; financial dashboard; cash in hand measures.

*H Ashton left the meeting at 4pm*

5.4 Financial Benchmarking 2017-2018 – C Kipling
The Committee discussed the local comparisons in some detail including reference to: pay costs; current ratios and reasoning; and financial health.

5.5 Management Accounts – March 2019 – C Kipling
The Management Accounts for March were received for information.

5.6 Management Accounts – May 2019 – C Kipling
The Management Accounts were received and would form part of the Governing Body’s papers for 15 July 2019.

Minor changes were agreed ahead of attaching to Governing Body papers for 15 July. Action by C Kipling.

5.7 HE Strategy – Z Lewis
A full overview was given by Z Lewis including that there would be a small increase on fees next year.

Debate and questions included: competition from universities and possible strategies; marketing; the complexities and financial fairness of 4 year degrees; fee reductions (possible nationally due to Augar recommendations); name of the HE centre which would form a later discussion.

Agreed that an additional line should go under 4.4 (p14) in relation to Price Capping risk. *Action by P Stone.*

5.8 Contracts Update – J Chance
A full overview of the report was given.

**Discussion included:** out of area partners and New College Durham partnerships.

**Agreed to recommend for approval to the Governing Body on 15 July 2019 the list of OCP Providers for 2019/2020 Academic year, subject to minor amendments**

**5.9 Fees Policy 2019-2020 – C Kipling**
C Kipling informed the Committee that this document was an annual refresh with no major changes proposed.

After a query from a Governor C Kipling confirmed that fees were not stated within the policy document.

**Agreed to recommend the Fees Policy 2019-2020 for approval to the Governing Body on 15 July 2019**

**6. Human Resources and Workforce Development**

**6.1 Human Resources Term 2 Report 2018-2019 – A Stephenson**

The Human Resources Term 2 Report 2018-2019 was presented in full.

Z Lewis gave an overview of the focus for staff on 12 July including wellbeing events; skills exchange and the signing of ‘Time to Change pledge’.

**Key discussion points and questions included:** the low resignation figure of 2.29% and possible reasons, equality and diversity profile and wider equality profiles; sickness absence both long and short term; support available; effect of ‘fit and wellbeing’ initiative and future events; low apprentices numbers within the College

**6.2 Gender Pay Gap (April 2019) - A Stephenson**

The draft document was tabled with the full version due at Committee in December ahead of publication in March 2020.

The gender pay gap (13.61%) and its possible reasons was debated in some detail as were sector averages; changes to sickness procedures; succession planning and possible other ways of testing fairness.

_T Parkinson left at 4.50pm_

**7. IT and Estates Update - A Wond**

A full update given by A Wond, including detail of an increase in student satisfaction for IT and Estates by 10% on the previous year and updates on Disaster Recover, HR systems and the Capital Replacement programme.

Disaster Recovery was discussed in detail as was fire risk of the build and how this was monitored; energy saving including possible future drop of cost and comparisons between air-conditioning and heating usage; and priority capital works in light of Capital Budget restrictions.

**Action by A Wond** to investigate the ratio of using air conditioning against heating and impact on energy usage.

**8. Recruitment, Admissions and Sales Update – C Kipling and A Waller-Amos**

A full report was given including a comprehensive applications update and marketing initiatives and effects now and through the main campaign in July. Particular note was drawn to the success of the Year 10 Discovery Days where 3100 students had been in college over recent weeks.
9. **Date of Next Meetings – R Davies**
   9.1 Monday 9\textsuperscript{th} December 2019 at 2pm
   9.2 Friday 13\textsuperscript{th} March 2020 at 2pm
   9.3 Monday 6\textsuperscript{th} July 2020 at 2pm

10. **Any other Urgent Business** – none taken

The meeting closed at 5.05 pm