

# THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE

## CONFIRMED MINUTES OF CORPORATE SERVICES COMMITTEE 05.07. 2021

**PRESENT:** P Studd (Chair, CG), R Davies (CG), Z Lewis (Principal/Chief Executive), P Sharp (CG), S Wilson (EM).

**OFFICERS:** P Bland (Strategic Project Manager), S Coleman (ED), M Coles (Interim VP), Z Foster (Clerk), C Kipling (VP), K Parkinson (ED), S Marshall (ED), R Shuttleworth (Dir.), A Waller Amos (Dir.).

**IN ATTENDANCE:** M Telling – Group Director Business Engagement and Partnerships (from 19.07.21)  
M Russell – future VP Finance and Registry

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

1. **Apologies for Absence** – H Ashton (CG), S Mirsalehi (CG).

2. **Welcome and Introductions to new Senior Staff**

R Shuttleworth (IT Director), M Telling (Group Director Business Engagement and Partnerships), M Russell (future VP Finance and Registry) and M Coles (interim VP Finance and Registry) were introduced to the Committee.

3. **Declarations of Interest** – no declarations

4. **Unconfirmed Minutes of 15 March 2021** - approved as a correct record.

5. **Matters Arising**– confirmed all were closed or in progress.

6. **Strategic Overview**

**6.1 Principal/Chief Executive's Update (Presentation)**

Z Lewis gave a comprehensive overview of where the College was in relation to Operations (where IT was a particular focus), a history of the Financial Health, Developments, New Opportunities, Cash Generation, the new Financial Health measure and likely effect on the College; Revenue Priorities for 2021-22, TTE, CPD and Quality improvements; and an overview of the Financial Plan and opportunities and risks within.

Governors discussed maintaining the culture of TTE and that P Sharp and S Lane would be invited into College to discuss the developments so far on this.

**6.2 Strategic Projects Update**

P Bland gave a summary of each of the current projects and their progress/completion dates: Stem Extension; T Levels Digital Centre; T Level Construction; MC6 refurbishments and Towns Fund (with 4 sub projects).

The Committee's questions and discussion included: potential supply issues and how these might be mitigated should they occur including those for subcontractors; risk associated with TTE on fees; and contingency for the projects.

## 7. Finance Matters 2020-2021

### 7.1 Five Year Plan 2020-21 to 2025-26

C Kipling gave a detailed overview including: the overall strong position of the College; the impact of Covid and related mitigations; strategic objectives including a significant investment in Teaching and Learning; key funding streams; non-pay; ongoing cover for potential Covid costs; TTE; opportunities (including an update on Lennartz); Capital Investments over the course of the plan; financial measures/changes to Financial Health measurements; and cash and borrowing positions.

Governors' questions and discussion included: further detail on Apprenticeships pre Covid; TTE return on investment; Lennartz interest; TTE International and mitigations of potential risks; and inflation calculations across the plan.

***The Committee agreed to recommend for approval*** to the Governing Body the Revised Five Year Financial Plan and assumptions and the 2021 / 2022 Revenue Budget as detailed in Appendix 1 of the Plan

### 7.2 July 2021 Pay Bonus Proposal

C Kipling detailed a strong surplus position for 2020/21 which would enable the Committee to consider and approve a further one-off payment of thanks to all staff from the Governing Body as delegated to the Committee by the Governing Body at its meeting of 17 December 2020.

The Committee discussed: the level of payment and future planned annual salary increases (subject to affordability) during the course of the Financial Plan.

***The Committee unanimously agreed to approve:***

- A £100 one off payment of thanks from the governing body for all staff – payable on 31 July 2021 (with £50 for those working less than 0.5 contract on average) equating to a total cost of £95,650.

The decision would be reported to the Governing Body at its meeting of 15 July 2021.

### 7.3 Santander Revolving Credit Facility Extension

C Kipling outlined this first soft review of the agreement, with a further review in 12 months time. She detailed the proposed reduction of the facility and the positive relationships and future flexibilities available with Santander. Final documents were currently being drafted, and once received would need to be signed by 31 July 2021 by Z Lewis and R Davies.

Governors discussed: the need for a flexible approach in the current climate for FE; the reasons behind the reduction in facility, and terms and arrangement fees.

After consideration, the ***Corporate Services Committee agreed to recommend to the Governing Body at its meeting of 15 July 2021 the following Resolution:***

**To approve the Santander Revolving Credit Facility Extension for a further period of 12 months to 31 July 2022**, at a reduced level of £4m, and per the terms of the revision to the agreement (originally approved in July 2018) as outlined below:

- Facility extension to 31 July 2022
- Option to extend for a further period of 12 months to 31 July 2023
- Facility reduced from £7m to £4m

- Reference to LIBOR interest rate costs replaced with SONIA (recent change in lending terms - calculations set out within the agreement)
- Interest rate cost to remain at the same level, 1.6% plus margin
- Arrangement fee of 0.25%, £10,000 (fee to be net off against future amendment or facility agreement fee)
- Non-utilisation fee 0.25% (per existing terms)
- The College will meet the legal fees associated with the negotiation, quoted at £4,500 plus VAT.

and **approve** signing of the amendment to the original facilities agreement and restatement agreement by Z Lewis and R Davies by 31 July 2021 and also both to be authorised to sign the Officer's Certificate.

**And that by approving this resolution, the Board of Governors is** authorising any person whose name and specimen signature is set out in the Officer's Certificate to sign and/or despatch any documents or notices to be signed and/or despatched by the College under or in connection with the amendment and restatement agreement and/or the amended facilities agreement.

#### **7.4 ESFA Financial Statements Letter 2019-2020**

C Kipling outlined the formal annual letter from the ESFA which ratified statements and records presented in December 2020 as 'outstanding' for information. C Kipling clarified the outlook which was presented as 'good' in the letter and which would now be 'outstanding' due to changes since December 2020. She also drew attention to the useful financial benchmarking dashboard.

**7.5 Management Accounts (May2021)** were received for information.

#### **7.6 Fees Policy 2021-2022**

C Kipling informed the Committee that this was an annual refresh with no major changes proposed.

The Committee **agreed to recommend the Fees Policy 2021-22 for approval** by the Governing Body at its meeting of 15 July 2021.

#### **7.7 Subcontractors Update**

C Kipling gave an overview of progress which was good for most partners. She gave further detail in relation to Great Expectations and also informed the Committee that the Unicorn Centre were ending their contract after this current academic year.

The Committee received the report, noting that there were no new providers proposed for 2021-2022 and that the Unicorn Centre would be removed from the list of providers.

The list of providers for 2021-2022 would be presented to the Governing Body for confirmation at its meeting of 15 July 2021.

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

#### **8.1 Human Resources, WD and Payroll update report**

K Parkinson presented her report which detailed positive progress against many of the key KPIs, but reminding the Committee that this had not been a typical year particularly in relation to absence/flexibilities and therefore future figures may differ. She detailed an additional KPI for BAME appointments and of associated work in this area; gave a full account of the successful conversion to bringing the Payroll facility in house; highlighted the incentive scheme to improve data return introduced since the last meeting of the Committee; detailed usage of the EAP system; continued work on the HR system and detail of the

Workforce Development focus which affect all aspects of workforce development from appraisal to mandatory training and specific CPD.

Questions and discussion included: clarification on sickness rates and Covid isolation and detail of the Essential Management Skills training.

The Committee were pleased with the developments and progress.

## **9. Digital and Campus Services Update**

S Marshall gave a full account of campus updates including: success with complex moves; future options for the Covid Testing Centre; Net Zero work including new initiatives with waste management and recycling; succession planning for the team; and in-sourcing developments.

Digital – S Marshall gave an update on the new helpdesk area; wifi survey resulting in some likely additional capital requirements in relation to access points and charging cabinets.

The Committee discussed: the shelf life of laptops and of end of life options (buying/charities).

R Shuttleworth then gave a full update in relation to cyber security developments including detail of the commissioned testing work (of which a full report would follow), and the Cyber Essentials Plus accreditation summer programme of work.

The Committee discussed: third party breaches and the risk to the College; net zero; the mobile network work; and analysis of data to inform and resolve common IT issues at source.

## **10. TTE International**

S Marshall gave a full update on developments both in terms of contracts and staffing. She highlighted a possible HNC delivery which had significant potential if realised.

Governors queried the impact of staffing changes and were pleased with the pipeline of opportunities coming through post Covid.

## **11. Business Development**

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

A Waller Amos gave a full update on applications for school leavers; HE and TTE; enrolment plans and the success of the Year 10 Discovery Days and ongoing transition work. She also drew attention to the successful Student Award Ceremonies, great coverage resulting from Brian Cox's return visit and of the summer marketing strategies.

Governors discussed the level of analysis which could be gained from the variety of marketing activities (varied); and of future options for those Year 10 students who could not come into College as planned.

### **11.2 Apprenticeships Recruitment and Employer Engagement**

S Coleman gave a comprehensive update on activity including: a return from employers with starts going up; T Levels recruitment/incentives and placements; the success of virtual projects; Teeswork liaison and developments with the CRM system.

Questions included: developing core large local employer opportunities; the improving picture for Apprenticeship recruitment post Covid and bids currently in progress.

Action by S Coleman to ensure that future reports would include detail of the range of bids from the team.

## 12. Dates of Next Meetings

- 12.1 Monday 13 December 2021 at 2pm
- 12.2 Monday 14 March 2022 at 2pm
- 12.3 Monday 4 July 2022 at 2pm

## 13. Any other Urgent Business

13.1 P Studd, on behalf of the Committee, gave huge thanks to Carolyn Kipling for her excellent service to the Committee and wider Board and for everything she had done during her time at the College. He wished her the very best for the future.

13.2 A brief TTE update was given by Z Lewis which would require a special meeting once the outcome of the grant application was known.

Governors, after discussion on brand and the current site, **confirmed** their preferred option to relocate TTE to the Middlehaven site should the grant be approved.

## 14. Members Discussion – not taken.

The meeting closed at 4.45pm