



**Minutes of the Finance & General Purposes Committee
held on 5 May 2022 at 5.30 pm via Microsoft Teams**

Present:	Owen Trotter (Chair) Rob Hickey Donald Inglis Heidi Fraser-Krauss Lee Probert (Chief Executive and Principal)	
In Attendance:	David Hawkins – Vice Principal for Finance and Professional Services Cheryl Pearson, Personal Assistant. Deputising for Director of Governance	
1.	Apologies for Absence / Declarations of Interest	Action
1.1	Apologies received from Melanie Jones and Carolyn Barker. Heidi Fraser-Krauss declared an interest as Jisc is a provider of Penetration testing (IT networks and applications).	
2.	Minutes of Previous Meetings	
2.1	Item 4.2 Management accounts for the 2 months to 31 January 2022. This should be changed to 5 months to 31 January 2022.	CB
2.2	Item 10.2 T Level Capital Bid – this has been submitted. Feedback is not expected until July at the earliest.	
2.3	Item 6.1 HR report – Utilisation for HE programmes states 36 weeks. Action to clarify if this should be 30 weeks.	CB
2.4	The committee resolved to approve the minutes of the meeting of 24 February 2022, subject to the minor amendments.	
3.	Matters Arising – Actions	
3.1	The matters arising were completed or included as papers for this meeting.	
3.2	The Chair of the Committee to send an email to the Head of Health & Safety to formally thank him for the excellent management of the challenges posed by the Covid pandemic. Action to draft email of thanks.	OT/CB
4.	FINANCIAL SUSTAINABILITY	
	2021-2-22 Financial Performance	
4.1	Management accounts for the 8 months to 31 March including year-end forecast A discussion held around the Waterfall graph which showed the movement of that reported in the January 2022 management accounts and the present position. The total deficit reported in the January accounts was £139,000 with a projected deficit of £192,000. The Vice Principal for Finance and Professional Services explained that improvements were reported in Apprenticeship funding (depending on	

<p>4.2</p>	<p>monies coming through). A little concern was expressed around achievements in Construction coming in by the 31 July deadline.</p> <p>It was reported that the tuition fund is looking positive at around £340,000. Tuition fee income for HE has dropped £55,000 due to a few withdrawals and some full cost courses that haven't run.</p> <p>It was reported that the reassessment of exam fees and validation fees show a positive of £50,000.</p> <p>In relation to the Construction Centre extension included in the T-Level bid to secure planning permission, there are no assumptions on a positive response and therefore these costs are written off as revenue deficit at the moment.</p> <p>It was explained that some movements in the financial position are within the Estates Operating costs due to the ever-increasing gas and electricity costs.</p> <p>Student transport costs show an increase of between 8% and 10% from March to the end of the year. It was explained that these costs could not be passed on as they are already set until the end of the year.</p> <p>Regarding the recent bus fraud reported to the previous meeting, it was explained that a solution was being sought and this would be reported to a future meeting.</p> <p>It was asked whether the College would be affected from a Financial Health rating perspective regarding the deficit reported earlier and it was explained that this would be heavily influenced by the EBITDA.</p> <p>ESFA Financial Health Confirmation</p> <p>It was explained that this paper was a letter required to be shared with the committee that confirms our financial grading which was Good for last year.</p> <p>The Vice Principal for Finance and Professional Services explained that there is some talk in the market about potential changes to the way financial health grading is scored. This will be brought back to the committee when any changes are likely to be introduced.</p> <p>The implications of a drop in rating were discussed and it was stated that it is only a concern if the rating moves from Good to Requires Improvement.</p> <p>The Chair asked about an error on the spreadsheet provided with the letter stating, 'requires improvement'. It was confirmed that this was an error by the ESFA and not the College</p>	<p>DH</p> <p>DH</p>
<p>5.</p>	<p>BUDGET</p>	
<p>5.1</p>	<p>5.1 Budget 2022-23 progress</p> <p>The Vice Principal for Finance and Professional Services presented the paper outlining progress on budget for 2022-23 explaining that it was a draft of where he felt the college was heading and that the comprehensive income basically shows what we reported for this year. A few things need to be firmed up as we are still working on the delivery of our adult, full cost provision and the resources to deliver the courses. A fuller report to be submitted to the next committee meeting.</p>	<p>DH</p>

	<p>The Chair questioned if the consistent theme of under recruiting for the last few years in HE, adults and full cost recovery courses is due to a change in market. The Principal explained that he felt there was more opportunity with adults and full cost as the market starts to normalise post pandemic, especially where the college has got significant specialisms.</p> <p>The Vice Principal for Finance and Professional Services stated that the numbers on Apprenticeships are really positive and growing.</p> <p>The Chair questioned the assumption built in the pay rises and the Vice Principal for Finance and Professional Services confirmed this is still being worked on but 1% is the current assumption in the budget.</p> <p>The Committee discussed the challenges inherent within the budget given the increases in the cost of living being experienced by staff.</p> <p><i>The committee resolved to note the draft budget paper and awaited the final draft budget for review.</i></p>	
6.	OTHER MATTERS	
6.1	<p>Cyber Security Report</p> <p>The Vice Principal for Finance and Professional Services reported that the multi-factor authentication for students is currently being rolled out in phases which is positive and should be completed in the next few weeks.</p> <p>Regarding the Penetration testing, we are awaiting a final report from JISC which will be tabled at the next meeting. Feedback from the IT team was extremely positive and valuable.</p> <p>A Phishing exercise was carried out with staff. An email directing them some supposedly “stuck” emails was sent to over 800 college email addresses. A significant number of people clicked on the link (200) with 66 giving their username and password. An email has been sent reminding staff of what a phishing email is and directing them to complete our in-house cyber security training course. The 66 staff that gave their username and password will be contacted. One governor gave thanks for this exercise and stated that another exercise is needed and that a follow up email be sent to those who haven’t completed the training after being directed to do so.</p> <p>The Chair asked if a dashboard could be provided once every quarter which will be of particular interest to the Audit Committee identifying key things such as, how many clicked on phishing link and those staff not completed the training.</p> <p>The Vice Principal for Finance and Professional Services thanked the support from JISC.</p> <p>One governor advised they would send through a a good practice document regarding cyber security.</p> <p>The Chair thanked the Vice Principal for Finance and Professional Services for the work on Cyber Security.</p>	<p>DH</p> <p>DH</p> <p>DH</p>
7	CORPORATE GOVERNANCE AND ASSURANCE	
7.1	<p>Strategic risk monitoring</p> <p>The Vice Principal for Finance and Professional Services explained that risks are monitored from number 4 through to 8 in this group.</p>	

7.2	<p>He questioned if the Covid risk should be removed. He confirmed that we have a surplus stock of LFT tests and therefore are not paying for any yet. Due to an improvement in the severity of Covid, should we consider this risk coming off the risk monitoring report. However, it was stated that the sitting of Exams in person at College may result in an increase in infections.</p> <p>The Chief Executive and Principal said the removal of this risk should be considered in the next academic year.</p> <p>The Chief Executive and Principal confirmed the advice remains to not attend College if tested positive.</p> <p>Strategic plan implementation</p> <p>Pillar group:</p> <p>The Vice Principal for Finance and Professional Services explained that the pillars are about investing resources, long term sustainability and nurturing partnerships.</p> <p>He explained that the College has received all the capital bids to be included within the budget and that will be part of the paper that comes to the next meeting.</p> <p>The main point to note on financial sustainability was the full review that has been completed on the staff cost percentage, it's been an ongoing debate for many years.</p> <p>The Chair asked about the financial stability and how the demographics are looking for 16-18's over the next four or five years and if they are in our favour and a growing cohort.</p> <p>The Vice Principal for Finance and Professional Services confirmed they are in our favour, however that they do decline and improve again.</p>	DH
	SUMMARY MATTERS	
	8 Key Meeting Outcomes and/or Actions	
	<p>8.1 Matters for report to the Governing Body (if any)</p> <ul style="list-style-type: none"> - Accounts for 31 March 2022 - Cyber security - Financial Health confirmation. 	
	<p>8.2 Matters for report to the Audit Committee (if any)</p> <ul style="list-style-type: none"> - Cyber security. Final report needs to go to June Audit Committee. 	
9	Any Other Business	
9.1	The chair thanked Cheryl for deputising and taking the minutes.	
9.2	The meeting closed at 18:22.	
10	Date of the Next Meeting	
	Date of the Next Meeting – 8 June 2022	
Signed		

Name:	Owen Trotter	
Date:		