



**Minutes of the Finance & General Purposes Committee  
held on 9<sup>th</sup> June 2021 at 5.30 pm via video conference**

<b>Present:</b>	Jack Commandeur Rob Hickey Donald Inglis David Johnson Lee Probert (Chief Executive and Principal) Owen Trotter (Chair)	
<b>In Attendance:</b>	Paul Cutten – Head of IT Services (item 4 only) David Hawkins – Vice Principal for Finance and Professional Services Paul Lawrence – Director of Marketing Chris Leng – Human Resources Manager Graeme Murdoch – Deputy Chief Executive and Principal Elizabeth McClure – Director of Governance	
	<b>1.Apologies for Absence / Declarations of Interest</b>	<b>Action</b>
	Apologies were received from Vicky Buckle and Neil Costello.  There were no declarations of interest.	
	<b>2. Minutes of Previous Meetings</b>	
	The minutes of the meeting held on 29 <sup>th</sup> April 2021 were reviewed and approved.	
	<b>3. Matters Arising – Actions</b>	
	The matters arising were reviewed and noted.	
	<b>4. Cyber Security Internal Audit Report</b> The Cyber Security Internal Audit Report was taken for discussion first; the Head of IT Services provided an overview.  It was noted that Cyber Security was a significant issue in the sector. The Committee had previously reviewed a 40-point plan prepared by the Head of IT Services; following the Internal Audit Report, this was a now a 70-point plan and some actions identified had already been actioned or had been in progress before the audit. Some keys areas of focus were improved documentation of process and user education; a mandatory cyber training module was being put in place for all staff and would be followed by ‘dummy’ phishing tests. Enhanced media controls had already been implemented and new software had been purchased which would enable the College to attain the ‘Level 5’ standard. Incident management, scenario planning and recovery were also a significant area of focus for the IT Team. It was noted that that the report was a fair reflection of the current position and reaffirmed many of the areas of improvement which had already been identified.  The Committee queried whether there was sufficient resource within the IT department to enact the 70-point plan. The Head of IT Services confirmed that the team currently spent around 50% of their time on the plan and acknowledged that this would become more difficult towards the start of the new term. It was noted that employing a contractor would be difficult as the	

	<p>projects were often lengthy and required working on existing systems. The team was aware of the need to minimise any potential knock-on issues.</p> <p>The Committee questioned how the 70 action points were being prioritised. It was confirmed that prioritisation was based on the level of risk and the required order where there were dependencies. 29 of the actions were already complete, 7 were in the testing phase and 16 were in progress.</p> <p>The Committee underlined the importance of the user education and awareness; all staff needed to understand that they were potentially one-click away from a major incident. The Committee further noted that a recovery plan was vital; there was some element of inevitability of an attack occurring and incident management should not be neglected.</p> <p>The Committee queried whether students were also given training. It was noted that their systems were monitored for risk activity but that instructions on cyber security could be added to the induction process.</p> <p>It was noted that the public website was an obvious target for access to systems; the new website was externally hosted and therefore an any attack would not impact internal servers.</p> <p>The Committee agreed that it may be useful to ask Internal Audit to revisit progress against the plan in due course. The Committee agreed the need to ensure recovery arrangements were prioritised appropriately and were not neglected in favour of prevention measures which would not always be robust.</p> <p>The Committee agreed that Cyber Security would remain within the remit of the Committee, though noted that any Internal Audit reports on the matter would be reviewed by the Audit Committee.</p>	PC
	<b>STATUTORY &amp; REGULATORY COMPLIANCE</b>	
	<p><b>5.1 Subcontracted Partnership Provision</b></p> <p>The Vice Principal for Finance and Professional Services presented a paper on Subcontracted Partnership Provision for approval and referral to the Governing Body. The Committee noted the proposal to obtain £250k of ESFA funding for The Skills Centre (or similar partner). There was also a proposal for partnership with York City Football Club; this was not true sub-contracting but represented a collaborative partnership.</p> <p>It was noted that following LMD's departures, partners were lead by the Principal who was supported by an expert team who conducted the required due diligence.</p> <p><b><i>The Committee resolved to approve the proposals for referral to the Governing Body.</i></b></p>	
	<p><b>5.2 GDPR – Update</b></p> <p>The Committee reviewed the Internal Audit Assurance review of ICT-GDPR.</p> <p>It was noted that of the six recommendations made, four were important and two were routine. An overall rating of 'reasonable assurance' had been given. The Committee noted that some implementation dates had passed; it was confirmed that all actions were on track. The Committee agreed that the report was a strong indication of the progress made in the area.</p>	

	<b><i>The Committee resolved to note the report.</i></b>	
	<b>MARKETING &amp; BUSINESS DEVELOPMENT</b>	
	<p><b>6.1 Marketing Update</b></p> <p>The Director of Marketing presented the marketing update. It was noted that the work on the website was going well and it was on track for launch on 5<sup>th</sup> July. There was currently a high demand for tours of the College, which were at maximum capacity. The Committee noted the eight themes of the strategy and noted progress was being made in each area. The applications data was noted and the Committee noted the excellent figures for June.</p> <p>The Committee queried the marketing approach for schools with sixth forms. The Head of Marketing confirmed that there was a mixed approach and reception from schools. The College was welcomed in some, asked to discuss only vocational options in others and deterred from others as far as possible. An approach of general brand awareness via digital channels tended to work best.</p> <p><b><i>The Committee resolved to note the report.</i></b></p>	
	<b>FINANCIAL SUSTAINABILITY</b>	
	<b>2020-21 Financial Performance</b>	
	<p><b>7.1 Treasury Management – 2021-22 Counterparty List</b></p> <p>The Vice Principal for Finance and Professional Services noted that it was a requirement to review the Counterparty List each year; there was no proposal to change the current list due to low interest rates.</p> <p>The Committee queried if diversification and considering a percentage limit for a single counterparty should be considered. It was agreed that the risk could be spread as monies began to be released from terms.</p> <p><b><i>The Committee resolved to approve the counterparty list and grant the Executive Director of Finance the authority to continue to invest funds for the next 12 months.</i></b></p>	<b>DH</b>
	<p><b>7.2 Management Accounts for the 9 months to 31 April 2021, including year-end forecast</b></p> <p>The Committee reviewed the Management Accounts and year-end forecast. The Vice Principal for Finance and Professional Services noted that there had been no significant movements since the previous meeting. The deficit forecast remained at £0.5m.</p> <p><b><i>The Committee resolved to note the Management Accounts.</i></b></p>	
	<p><b>7.3 2021-2022 Budget Update</b></p> <p>The Vice Principal for Finance and Professional Services presented the 2021-22 Budget Update, noting that the budget remained in draft format and that there was significant further work to be done. Pay, timetables, progress coaches and the impact of restructuring were not yet fully incorporated; a final version would be presented to the Board in early July. It was proposed that the Budget would show a break-even position and the key assumptions were noted. The Budget showed a positive position in terms of international</p>	

	<p>students, HE income and apprentice income Overall, income looked strong but further clarity was need in terms of expenditure.</p> <p>The Committee agreed that a break-even forecast was sensible and queried what the range of uncertainty was. It was noted that this would depend on enrolments; lagged funding meant that a significant increase in enrolments would result in extra costs. The range of uncertainty would likely to be £0.5m either way.</p> <p>The Committee questioned if £300k was sufficient for IT infrastructure in light of earlier discussion. It was noted that this had been agreed with the Head of IT and that investment in IT had been staged over a number of years.</p> <p>The Committee queried if the assumed pay award of 1% would be awarded in August or January. It was confirmed that the award would be 1<sup>st</sup> August as the previously agreed policy to change the pay year had not yet been enacted.</p> <p>The Committee noted that the staff cost to income ratio remained stubbornly high. It was noted that this was being actively discussed at SLT; the drive for efficiencies had been impacted by the pandemic. The Committee questioned the possibility of benchmarking against other Colleges; it was noted that this could be a costly exercise and the Auditors had indicated that this was not within their remit.</p> <p>The Vice Principal for Professional Services reiterated that the budget was not yet final and there was a key dependency in terms of the SPA Project outcome. The Committee noted that the costs indicated for the SPA Project seemed low and may need to be revised if successful; due diligence and the cost of change management could be significant.</p> <p>It was noted that the CFFR would be presented directly to the Board.</p> <p>The Committee's comments were noted and a final version of the budget would be presented to the Board on 7<sup>th</sup> July.</p>	
	<p><b>7.4 Pay Update</b></p> <p>The Vice Principal for Finance and Professional Services presented a Pay Proposal containing the information requested at the previous meeting. The Pay Awards for the past 12 years were noted and options and rationale for a Pay Award were reviewed. It was noted that the preference was for a single payment of the same amount to all staff, recognising their commitment and resilience over the pandemic. The need to balance the current deficit position with increasing cash balances was noted.</p> <p>The Committee agreed that a flat, non-consolidated payment was appropriate. The impact on the P&amp;L was noted. The Committee debated what would constitute a meaningful amount. The Committee agreed that a non-consolidated bonus of £500 should be paid to all members of staff. The payment would be pro-rated for part-time staff. It was further noted that changing the pay year to January would allow enrolment figures to be considered in any subsequent Pay Award.</p> <p><b><i>The Committee agreed to recommend the Pay Proposal to the Governing Body for approval.</i></b></p>	
	<b>ESTATES AND COLLEGE ENVIRONMENT</b>	
	<b>8.1 Health, Safety and Welfare Update</b>	

	<p>The Vice Principal for Finance and Professional Services presented a paper updating the Committee on Health, Safety and Welfare. There had been fewer incidents than in previous years, but it was noted that an increase would be expected when students returned to site. It was further noted that some increased figures related partially to improved reporting but also to the disproportionate amount of practical work that was being completed within a short period of time due to Covid. The Committee noted that management of Covid cases within college had been excellent and extended their thanks to the Head of Health &amp; Safety who had managed the challenges of the pandemic excellently. It was agreed that a letter from the Chair of the Committee would be sent to the Head of Health &amp; Safety to formally thank him.</p> <p>The Principal confirmed that HSE had conducted a telephone audit about the College's covid safety measures. These were deemed to be satisfactory and had not been escalated to a site inspection.</p> <p><b><i>The Committee resolved to note the report.</i></b></p>	DH/OT
	<p><b>8.2 Estates Update (Flood)</b></p> <p>The Vice Principal for Finance and Professional Services provided an update on the recent flood in the College. Thanks were given to York St John who had granted access to their site so that provision could continue for a few weeks.</p> <p>It was confirmed that the flood was a result of a burst pipe; the area was now dry and was being decorated. Student were now back on site and the insurance claim was progressing. The insurance policy had a £1k excess.</p> <p>It was noted that the response to the incident would be reviewed to determine if there were any lessons learned. It was noted that the impact of the pandemic had meant that alternative space was more readily available, but this may not always be the case. RH confirmed that York St John would often have space; it would only be limited at certain times of the year.</p> <p><b><i>The Committee resolved to note the report.</i></b></p>	
	<b>COLLEGE STAFF AND TEAMS</b>	
	<p><b>9.1 HR Report</b></p> <p>The Committee noted the HR Report and queried what was being done to address the increase in absence due to mental health and stress. The Principal confirmed that there were a number of ongoing initiatives, including the re-publicising of the employee assistance programme, promotion of wellbeing activities and attempts to pro-actively manage annual leave.</p> <p>It was noted that the gender pay gap had increased, though the median gap had reduced. It was noted that this was something the College was conscious off, specifically as the data would worsen following the departure of two members of SLT. The issue of diversity was a consideration for any restructuring/recruitment.</p> <p><b><i>The Committee resolved to note the report.</i></b></p>	
	<b>POLICY AND OTHER MATTERS - None</b>	
	<b>10.1 Internal Audit Report Learner Support Funds</b>	

	<p>The Committee noted the Internal Audit Report on Learner Support funds. This would be scrutinised by the Audit Committee but was relevant to the work of this Committee. The rating granted was one of 'reasonable assurance' and there were four important recommendations which were being implemented.</p> <p><b><i>The Committee resolved to note the report.</i></b></p>	
	<p><b>10.2 2020-21 Policy Reviews - Financial Regulations</b></p> <p>The Committee noted the Financial Regulations Policy. There had been one minor change relating to electronic signatures.</p> <p><b><i>The Committee resolved to recommend the Policy to the Governing Body for approval.</i></b></p>	
	<b>OTHER MATTERS</b>	
	<p><b>11.1 Review of Committee Terms of Reference</b></p> <p><i>The Committee resolved to recommend the revised Terms of Reference to the Governing Body for approval.</i></p>	
	<b>SUMMARY MATTERS</b>	
	<b>Key Meeting Outcomes and/or Actions</b>	
	<p><b>12.1 Matters for report to the Governing Body (if any)</b></p> <ul style="list-style-type: none"> <li>- Budget</li> <li>- Pay Award</li> <li>- Terms of Reference</li> <li>- Financial Regulations Policy</li> </ul>	
	<p><b>12.2 Matters for report to the Audit Committee (if any)</b></p> <ul style="list-style-type: none"> <li>- Update on Cyber to be reported</li> </ul>	
	<p><b>13. Any Other Business</b></p> <p>The Vice Principal for Finance and Professional Services confirmed that the College was hoping to submit a bid for capital funding for a build in the construction centre. The build would cost approximately £3m and would be match-funded, 20% of which would be paid from cash reserves and the remainder from ESFA grant funded monies. The current issues with space meant this was a perfect time to build. It was noted that there was no formal requirement to match funding, but it had been indicated that this would be viewed favourably. Committee approval was required for submission of the bid.</p> <p>The Committee confirmed that it was supportive of making the bid and noted the need to ensure that a contingency budget was considered. It was further noted that a capital spend Wishlist strategy would also be useful.</p> <p>There being no further business, the meeting closed.</p>	
	<b>14. Date of the Next Meeting – TBC</b>	
	The meeting closed at 19.15.	

<b>Signed</b>		
<b>Name:</b>	Owen Trotter	
<b>Date:</b>		