

**GRANTHAM COLLEGE
FINANCE & RESOURCES COMMITTEE MEETING**

**Minutes of the Meeting held on 9 March 2022, 17.00
Remote via Microsoft Teams**

Present:

Mr N Manoussakis	Finance & Resources Committee Chairman / General Member
Mr B Addlesee	Lay Member
Mr G Brewis	General Member
Mr P Deane	Principal & Chief Executive

In Attendance:

Mrs A Harrison	Director of Finance
Mrs T Hart	Director of Planning, Funding, Information and Marketing
Dr S Peacock	Vice Principal – Higher Education & Institute of Technology
Mrs C Temprell	Vice Principal – HR and Student Services
Mrs J Taylor-Holmes	Clerk
Mr J Meenaghan	Head of IT (for update on IT security only)

Agenda: There were no changes to the agenda.

	FC/22/101 - Apologies for absence	
1	No apologies received; all members were present.	
2	Committee members welcomed Mr J Meenaghan, Head of IT to provide an update on steps taken to improve IT security.	
3	Mr Meenaghan provided the following update;	
4	The College has invested in Anti-Ransomware software from Ricoh, the software monitors our document server files for rapidly changing file name extensions, this could be a sign of an attack on the resources.	
5	We have further improved the Ransomware software by integrating it into our Anti-Virus software Sophos. This will allow both pieces of software to communicate to each other, if unusual network traffic is detected, the end user's device it is shut down and their user account is disabled. We have also managed to get the Ransomware software to monitor the Apple Macs via the connection to Sophos.	
6	We replaced nearly all staff laptops with new laptops that allow us to encrypt the hard drives to protect our data. The majority of laptops are now managed by Microsoft Intune (Cloud management software), this enforces Multi Factor	

	Authentication, so staff members cannot log into the device without a second device to prove who they are. The laptops are also configured to save documents to One-Drive and this gets staff used to using cloud resources, over time we will migrate our on-site document storage to cloud based storage in Office 365.	
7	Multi-Factor Authentication is also enforced on the Remote Desktop Server, again protecting our remote desktop users from external attack	
8	We have upgraded our Windows 10 version to the latest version of Windows Education (over 1400 pcs) this ensures that feature updates can be deployed quickly, and the College can stay up to-date with features and security updates as per the Cyber requirements. As part of this upgrade, we also removed local administrative accounts from the desktops, this account could have been used to attack the network as each machine had an administrative account.	
9	We have replaced our outdated corporate mobile phones, the older phones were not managed and running out of date software not supported by the manufacturer. The new phones are all managed by our network admin, this ensures the phones are kept up to date by the management software. It also ensures that only the apps we authorised are installed, unlike the old ones where staff could just install and do what they wanted. Running outdated phone software is an automatic failure on the Cyber Certification	
10	The College now backs up our Virtual Server Infrastructure to the cloud, we have also included a feature called Immutable, that means once the backup is made it cannot be deleted for a period of time, this would protect the backups from being deleted if an attacker managed to gain access to the backup location as an Admin. This is further protected as the admins of the system need Multi Factor to access the resource.	
11	We have invested in "Patch my PC" - This is an enterprise piece of software that automatically updates software with updates from the manufacturers. This ensures that that program such as Adobe reader, Vlc, Zoom, Edge and many more. Without this software it would be virtually impossible to ensure we keep these programs up to date.	
12	We are about to change our Email spam scanning tool from Viper to Barracuda, Barracuda can scan our email mailboxes from dormant comprises, and includes a full cloud backup system for our email data and One-Drive content. Barracuda also includes phishing testing software so we can test our staff members for their awareness of email scams and	

13	attacks. Barracuda is also protected by MFA for our admins only.	
14	We have recently blocked all network traffic on the firewall from Russian networks, as a precaution of any Cyber-attacks.	
15	Staff now must complete yearly training on Cyber Security via Educare	
16	I use the app from our Cyber security insurance provider, this alerts me to staff members who's email addresses have been acquired, this allows me to alert the member of staff to change their password as a precaution.	
17	We are currently working towards re-certification of our Cyber Certificate; this is proving challenging as they have changed a lot of requirements for this year. We have decided to issue laptops to our in-scope home workers (HR-Finance and MIS) as we now have to audit and control remote access devices. We are also creating a new policy for Cyber for these users, so they understand the risks of home working.	
18	Moving forward to next year the requirements are going to be more complex, and this of course will require more staff time and unfortunately extra investment. There are a lot of other colleges and universities who are unhappy with some of the requirements. One College has commented they have achieved Cyber for the last 4 years and if the certification body still insists of some of the new changes, they will not continue to achieve the Cyber Cert. We have already invested heavily during the last year to improve our Cyber stance and I can see year on year this cost will just escalate further (with of course no extra funding to support this)	
19	Committee members noted the more complex rules in relation to the Cyber Essentials Plus accreditation and that this was a requirement of the ESFA. There was a lot of work and additional investment to enable Colleges to comply with the accreditation.	
20	In relation to laptops which were issue to those working from home, Policies were currently being updated in relation to security.	
21	Committee members commented that although the College had invested heavily in this area to increase cyber security, the costs relating to this may further increase.	
22	It was also noted that as a link through the insurers, the insurers also provide updates and support.	

23	When asked about guest wi-fi access, Mr Meenaghan confirmed that guest wi-fi was separate from the network and therefore any potential breach should only affect the individual device.	
24	Committee members thanked Mr Meenaghan for his update.	
25	Resolved: Committee Members received the IT security update.	
	FC/22/102 – Confirmation of eligibility, quorum and declarations of interest	
26	No notice had been received of any member becoming ineligible to hold office. The meeting was quorate and there were no declarations of interest in agenda items.	
	FC/22/103 – Minutes of the Joint Audit and Finance & Resources Committee held on 8 December 2021.	
27	The minutes of the joint Audit and Finance & Resources Committee meeting held on 8 December 2021 were approved as a true and accurate record.	
28	There was no urgent business notified.	
	FC/22/104 - Matters Arising	
29	Committee members asked about the progress in relation to the maintenance schedule. Mrs A Harrison, Director of Finance explained that the Estates team were currently working through the spreadsheet and had considered any risks around the maintenance survey, no issues had been identified which were immediate health and safety issues.	
30	All matters arising from the previous meeting were complete or on the agenda for consideration.	
	FC/22/105 - Finance Report including dashboard and staff pay increase	
31	Mrs Harrison presented the Financial Report. The Report contained a number of appendices covering, Income and Expenditure Account for period ending 31 January 2022, Balance Sheet at 31 January 2022, Cashflow forecast to July 2022, Finance Dashboard, Debtors Report to 31 January 2022.	
32	The January figures provided an operating deficit of just over £309,000 with a predicted financial health grade of good at year-end.	

33	Committee members received the senior leadership proposal in relation to the 5% staff pay increase to be applied from April 2022. Mrs Harrison explained that this was based on the revised budget as reviewed and the current forecast position.	
34	Committee members asked for further information in relation to staff turnover and noted that this was the highest it had been. In response to the question of where staff were moving to, Mr P Deane, Principal and Chief Executive explained that staff were moving to other Colleges, schools and some to employers.	
35	Committee members considered affordability and noted that the pay increase may result in a requires improvement financial health grade.	
36	Committee members discussed the costs in terms of recruitment and staff morale and noted that staff recruitment was an area of distraction in the College.	
37	It was agreed that the aim would be to ensure that staff pay was in line with inflation as a bare minimum, noting the NI insurance increase of 1.25%, inflation costs and the increase in energy costs.	
38	It was noted that the pay increase may help against competition from other Colleges but maybe not for those colleagues who were leaving to work in industry.	
39	Committee members considered the risks associated with the high turnover of staff.	
40	Mr Deane commented that work would be undertaken to review the budget in relation to expenditure. it was noted that the increase in staffing costs was included in the cashflow.	
41	It was noted that there would be a new starting wage for teachers in schools £30,000 which was more than the salary for a lecturer.	
42	Committee members noted that temporary / agency staff costs had increased due to challenges around recruitment.	
43	Committee members also noted that the use of temporary and agency staff potentially had a negative impact on the quality of teaching and the College reputation. Mr Deane commented that in almost all areas where the College was experiencing issues with quality there were agency staff being used.	

44	Mrs C Temprell, Vice Principal – HR and Student Services commented that if the College was to take on agency staff there would be a large temporary to permanent fee applied and there was nothing to stop that individual moving on again and facing the same agency costs.	
45	Committee members asked about expenditure to date and whether any of this should be accrued where the commitment had taken place but the expenditure hadn't been made. Mrs Harrison commented that she would review this, there may be some partner payments which are in this area. Mrs Harrison agreed to look at a way of including a proportion to reflect the position.	Action: Mrs Harrison June 2022
46	Committee members asked about any opportunity for savings in the current year. Mrs Harrison explained that the marketing budget had been deliberately increased to encourage growth and meet allocation. There may be some opportunity to review maintenance costs through rescheduling. The College was limited on non-pay cost savings.	
47	It was noted that the full capital allocation had not been spent and there was around £50,000 which may be a cash saving.	
48	Mrs Harrison confirmed that costs had been reviewed, for example, the copier contract had been re-tendered and this has reduced costs in this area.	
49	Mrs Harrison explained that there had been a 40% increase in budget for next year in terms of utility costs, this may need to be higher. The College had previously operated on framework agreements and has these in place based on a tender process. There would be an increase needed to reflect changes to wholesale energy prices. More information would be provided in advance of the June meeting and the budget approval. The positive gains from the framework were noted.	Action: Mrs Harrison June 2022
50	Mr Deane reported that the solar panels were back on the roof and generating, it was noted that these had to be removed due to roof repairs.	
51	Committee members discussed the collection arrangements in place to recover debt. Mrs Harrison explained that the position had improved due to the total repayment of a debt of HE fees. This repayment had included the interest and costs associated with recovery. Instalments had not previously been recorded.	
53	Mrs Harrison explained that the payroll increase was contained within the budget comments, this also included	

	some additional costs in relation to delivery linked to the additional income for 16–18-year-olds.	
54	It was noted that with a deficit out-turn the College would still maintain a good financial health rating due to low debt. There were no current issues identified with sustainability.	
55	Resolved: Committee Members received the Financial Report to the 31 January 2022.	
56	Resolved: Committee members approved the pay increase for staff of 5%.	
57	It was noted that the February 2022 financial report would be provided to the Board in March.	
	FC/22/106 – Funding Allocations	
58	Committee members welcomed Mrs T Hart, Director of Planning, Funding, Information and Marketing.	
59	Mrs Hart explained that there had been an increase in income for 16-18 year-old students. The allocation amount had increased by around £350. In return for the income increase, there was a requirement to deliver an extra 40 hours contact per year, this increase would be applied to main course delivery.	
60	Mrs Hart commented that whilst there were lower student numbers income was higher, allocation for T-Level delivery numbers were quite high. Apprenticeship provision continued.	
61	The adult funding information had not been received; however, the College had been asked whether there was a requirement to reduce the AEB allocation in year. It was noted that the current target for delivery was 97%. Mrs Hart commented that there had been difficulties in meeting allocation during lockdowns and provision would be run to meet need in areas where there had been growth.	
62	Dr S Peacock, Vice Principal – Higher Education & Institute of Technology commented that there had been additional income received either directly from DfE or directly from LEP. £240,000 had been awarded for the development of higher technical qualifications; Level 4 qualifications more aligned to apprenticeships. Computing, healthcare practitioner and community coaching for England which was a sports course were areas where income had been received. Dr Peacock explained that income was to be spent on staff training with some allocated to marketing. Software development and a VR lab, sports performance analysis hub and a mock medical centre would all be established.	

63	Dr Peacock also provided additional information in relation to the Skills bootcamps. Three digital skills camps had been run in the first wave, which amounted to an income claim of around £70,000. Between £70,000-£80,000 would be again for this year. There was also the opportunity to run other bootcamps, linked to energy centre. This would amount to further income of around £240,000; £120,000 for each.	
64	Further income of around £40,000 had been received from the DfE to run IoT pilots.	
65	Committee members commented that it was really positive to see the investment in and development of courses.	
66	Committee members asked whether lecturers and staff were in place to support new courses. Dr Peacock explained that staff were currently receiving training and upskilling in areas such as electric car charging.	
67	Resolved: Committee members received the update.	
FC/22/107 – Estate’s & capital update		
68	Mr Deane explained that the planning application for the Barracks was not approved and further information was requested, this was despite the support from the Planning Officers. Mr Deane explained that having taken into account the suggested amendments to the design to get planning approved, it would not be worth selling the site. There would be a cost associated with getting redesigns from the architects and the site development had become unviable with reduced numbers of dwellings.	
69	Mr Deane commented that the cash position had improved and there were now other options and opportunities available to improve the College financial position.	
70	In relation to other capital funding available, Mr Deane explained that there were opportunities available connected to T-Level refurbishment funding and T-Level equipment however, when reviewed, it had been agreed not to proceed with either bid.	
71	It was noted that the College had made significant investment already in equipment.	
72	Care would be one T-Level where could it was agreed that growth could be achieved and where it would be possible to obtain placements for students. There were risks associated with any bid in this area as match funding would be needed up to £250,000.	

73	In relation to the condition survey, a maintenance schedule was currently being prioritised.	
74	It was noted that to date, the capital budget had been underspent.	
75	In terms of capital investment, LEP to date £1.2million, IoT £2.4 million with a little more to spend.	
76	In relation to the IoT, there were some final works underway, £65,000 previously allocated as contingency of DfE funding money had been reallocated and landscaping would be completed, as wildflower social spaces. New gates and fencing electric charging points would also be added along with some arch fencing to allow a full view of the IoT facilities.	
77	In relation to the energy centre, it was noted that works continued with an anticipated completion date of 14 April. Work fundamentally was complete in the link. Work nearing completion in the engineering block. The transformation was noted through before and after photos. It was also noted that the work had reduced energy use and the ability to retain heat in the area.	
78	Mr Deane explained that one of the mews houses was previously a renewable centre, and plans were in place to reinstate this as a renewable house with all energy efficient options.	
79	The opening of the IoT was currently being rescheduled and the date would be notified to Governors.	
80	Mr Deane explained that he had been invited to London to share the College IoT experience from a wave one perspective. One area of questioning may be in relation to staffing and support in this area.	
81	Resolved: Committee members noted the Estates and Capital update.	
FC/22/108 –HR Dashboard		
82	Mrs C Temprell, Vice Principal – HR and Student Services provided the HR dashboard to cover the period December 2021 to February 2022.	
83	It was noted that the sickness absence target was 2.5%, at 3.84% this was higher than the last period. The main reason for the increase was due to COVID, this remained the biggest area for absence. Mrs Temprell explained that although	

	COVID absence was reducing, it was a key high within the period.	
84	The cost in relation to pay was just over £36,000. If the College had to pay costs for those with less than one years' service, it was noted that this figure would increase.	
85	Mrs Temprell explained that the most common day for absence remained Wednesday.	
86	In relation to staff development costs, this was an area where the budget was not being utilised.	
87	Mrs Temprell explained that the biggest area of concern was in relation to mandatory training. Work continued to chase staff to complete Keeping Children Safe in Education training.	
88	Committee members reviewed employee relations matters information and noted that headcount continued to reduce, with an increase in part time employees.	
89	Mrs Temprell commented that the College was experiencing the highest turnover ever known, with a 40% increase on previous period. Turnover was now 10.39%.	
90	Recruitment remained a challenge; the College had recruited to 32 posts; 61 interviews had been held. Some of the difficult to fill posts especially in construction and plumbing and now Maths and English could take 100 days to recruit.	
91	Mrs Temprell referred to the AoC briefing on staffing and the challenges faced by the sector.	
92	It was agreed that the staff pay increase may support retention, growth, loyalty and quality.	
93	Top five reasons for leaving the College were noted in the dashboard.	Action: Mrs Temprell March 2022
94	It was agreed that the HR dashboard would be circulated to Committee members.	
95	Resolved: Committee members received the update.	
	FC/22/109 – Relevant Sector Information	
96	Mr Deane and Mrs Harrison shared information from the AoC in relation to staffing and the challenges faced by the sector.	
97	Committee members discussed more generally support available to students facing economic challenges and	

98	whether free breakfast would support students and encourage attendance. Resolved: Committee members received the update.	
99	FC/22/110 Matters for Specific Report to the Corporation <ol style="list-style-type: none"> 1. Pay award approved of 5% for staff. 2. Received and reviewed the Finance report to end of January 2022 with all appendices. A deficit of just over £309,000 with a predicted financial health grade of good at year-end. February 2022 information would be presented to the Board meeting. 3. Budget would be reviewed and presented to the next meeting. Energy information would be more known at the next meeting. 4. received an update on allocations and noted the increase in income from the DfE and IoT in relation to pilots and bootcamps. 5. Estates & Capital update received. 6. HR dashboard received. Discussed challenge of retaining staff and the impact on quality. 7. Received a presentation in relation to IT security and assurances were provided around the software and approach being taken to protect the College. 	
100	FC/22/111 Urgent Business / Any other Business There being no further business the meeting closed.	

Date of next Meeting:

Finance & Resources Committee - Wednesday 22 June 2022, 5.00pm -

Signed as a true and accurate record

Chairman

Date

Agenda Item	Description	By whom	By when
FC/22/105 - Finance Report including dashboard and staff pay increase	Committee members asked about expenditure to date and whether any of this should be accrued, where the commitment had taken place but the expenditure hadn't been made. Mrs Harrison commented that she would review this, there may be some partner payments which are in this area. Mrs Harrison agreed to look at a way of including a proportion to reflect the position.	Mrs Harrison	June 2022

FC/22/105 - Finance Report including dashboard and staff pay increase	Mrs Harrison explained that there had been a 40% increase in budget for next year in terms of utility costs, this may need to be higher. The College had previously operated on framework agreements and has these in place based on a tender process. There would be an increase needed to reflect changes to wholesale energy prices. More information would be provided in advance of the June meeting and the budget approval.	Mrs Harrison	June 2022
FC/22/108 – HR Dashboard	It was agreed that the HR dashboard would be circulated to Committee members.	Mrs Temprell	March 2022 COMPLETE