GRANTHAM COLLEGE
FINANCE & RESOURCES COMMITTEE MEETING

Minutes of the Meeting held on 6 March 2024, 17.00
Remote via Microsoft Teams

Present:

Mrs A Treacy	Finance & Resources Committee Chairman / General Member
Mrs J Adams	General Member
Mr G Brewis	General Member
Mr P Deane	Principal & Chief Executive
Mr B Redfearn	General Member

In Attendance:

Mrs A Harrison	Director of Finance
Mrs C Temprell	Vice Principal – HR and Student Services
Mrs T Hart	Director of Planning, Funding, Information & Marketing
Mrs J Taylor-Holmes	Clerk
Mr J Meenaghan	Head of IT (for item FC/24/101 only)
Ms L Smith	Staff Governor (for item FC/24/101 only)

Agenda: The minutes record the order agenda items were considered.

	FC/24/101 – Digital Security update	
1	Committee members welcomed Mr J Meenaghan, Head of IT and Ms L Smith, Staff Governor who provided a cyber / infrastructure update presentation.	
2	Mr Meenaghan provided the following update on infrastructure;	
3	Mr Meenaghan explained that the strategy had been updated to reference artificial intelligence as this was recently new.	
4	Mr Meenaghan provided an update on things that had being progressing since the last presentation to the Committee twelve months ago.	
5	Cyber update – Mr Meenaghan confirmed that all users were now protected by Multi Factor Authentication (MFA), all users needed an App on their phone to access and users cannot access the College systems from outside of the UK. The IT team had blocked access to the Microsoft resource from outside the UK. The College had reviewed the administration role to ensure appropriate access and how information saves to make this more efficient.	

6	Mr Meenaghan referred to the additional mandatory government health check required under the ESFA contract 2023/24 and this was an external review which was required annually. Mr Meenaghan provided and referenced the Audit scope to provide assurance in relation to cyber security review. It was noted that this included a review of systems and internal and external penetration testing.	
7	The review also included a review of permissions and patch testing and management. It was noted that the review would take around 5-8 day to complete and would be undertaken around June. It was noted that the College was still required to complete the cyber essentials accreditation.	
8	Mr Meenaghan provided information on ongoing infrastructure plans; including desktop replacement and implementation of most recent windows system and the plan regarding the network and the changing of rooms.	
9	Investment / bids referenced; it was agreed that it was really positive to see the amount of investment in the area. It was also really positive to see the technology available to students to improve student experience and provide access to technology that mirrors industry.	
10	Teacher Matic – Artificial intelligence – Ms Smith explained that there were 50 licenses currently in place and all had been taken up. Teacher Matic was to support teaching staff in relation to workload by provided support in relation to lesson plans and making lessons more creative. VR headsets and electrical engineering software were being used and it was hoped that these would be expanded to health and social care. This would again improve student experience and provide experiences the students would not be able to access on placement.	
11	Ms Smith referred to Skills Builder and Click view to allow the inclusion of videos to support teaching and learning.	
12	Other 4cast – Mrs T Hart, Director of Planning, Funding, Information & Marketing referred to the introduction of the software to support curriculum planning and budgeting.	
13	It was noted that E-signup was being utilised in relation to sign up on apprenticeships, this was a really positive inclusion to the offer.	
14	EBS workflow – looking to improve and streamline student record process to improve efficiency.	
15	In response to a question from Committee members, Mr Meenaghan confirmed that EBS would support the work of	

	the student mentors including the automisation of processes including letters / text messages in relation to student absence.	
16	In relation to Teacher Matic and a question about embedding and training for staff; Ms Smith explained that the software has been introduced to support workload and she was providing support internally. Ms Smith explained that the software was being utilised within the sector quite widely.	
17	Committee members thanked Mr Meenaghan and Ms Smith for their update.	
18	Mrs C Temprell, Vice Principal – HR & Student Services explained that the support was being provided to staff with different ways to teach. Positive feedback had also been received from employers at the employer lunch around Skills Builder. The introduction of new software's was also about upskilling students to ensure that they are prepared for employment.	
19	Mrs T Hart, Director of Planning, Funding, Information & Marketing explained that there was an external webinar planned in relation to how the new systems can support improvements in student services.	
20	In response to a question from Committee members, it was acknowledged that there was a need to promote the offer in place and the innovative teaching and support that was available to students. It was noted that through some funding, the College had been able to recruit a digital marketing offer who was responsible for promoting the opportunities available at the College through social media.	
21	Mr Deane commented that local year 10 students had been invited to the College for taster sessions to see the opportunities available and to have a go using the equipment. The College was also attending careers fairs at schools.	
22	In relation to the longevity of the equipment, Mrs A Harrison explained that computer equipment had a depreciation of around 7, Mrs Harrison explained that the College had received some income in relation to the developments this year. This would be a cost going forward in terms of licensing and costs in relation to audit. There was also the associated cost of needing a more highly skilled IT team.	
23	Committee members discussed the cyber risk and the need to ensure that adequate security was in place.	

24 25	Committee members talked about the risk / cost of not doing work to improve in this area and also the additional reputational risk in the event of the security breach **Resolved:** Committee Members received the IT security update.	
26	**FC/24/102 - Apologies for absence** Apologies were received from and Mr N Manoussakis, Lay Member.	
27	**FC/24/103 – Confirmation of eligibility, quorum and declarations of interest** 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.	
28 29	**FC/24/104 – Minutes of the Joint Audit and Finance & Resources Committee held on 29 November 2023.** The minutes of the joint Audit and Finance & Resources Committee meeting held on 29 November 2023 were approved as a true and accurate record. There was no urgent business notified.	
30 31	**FC/24/105 - Matters Arising** In relation to the VAT review; Mrs Harrison explained that this had been a recommendation from external audit, prices were being sought from providers to undertake the work. An update would be provided through the Audit Committee. All further matters arising from the previous meeting were complete or on the agenda for consideration at the Committee or the Audit Committee.	
32 33	**FC/24/108 - Estates & Capital update** It was noted that a comment had been received from Mr N Manoussakis, Lay member providing his objection to the sale of the North Lodge property. Mrs Harrison provided an update in relation to North Lodge property as follows;	

34	*There were a number of options available in relation to the North Lodge property as follows; sell, rent commercially or student use?*	
35	*Section removed due to commercial confidentiality*	
36	Committee members considered the update. It was agreed that it would be prudent, before any decision is made, for the College to arrange its own valuation.	
37	Mr Deane asked what benefit the North Lodge premises brought. It was not felt that this benefited staff or students and did not forward the strategy? It was noted that, being a private landlord and spending on maintenance of the property was not within the strategy and any costs would deplete the cash position.	
38	Committee members noted the challenges with being a private landlord. There were regular calls regarding maintenance and this placed pressure on the limited capacity in the estates department.	
39	In relation to future planning around capital investment. The College was planning for £50,000 investment in capital per year for future years. It was noted that some condition funding remained available however, if the property was sold, the income would be ringfenced for capital use in future years. The result would be to bolster the capital investment in future years and would provide a positive impact as cash currently allocated to capital investment could be reallocated.	
40	Committee members confirmed that they were reassured that the income from the sale would be ringfenced.	
41	Committee members discussed the challenges in relation to the location of the property and how this impacted on the ability to rent the accommodation and the access arrangements.	
42	It was noted that the sale of previous property had not impacted on the College offer and student experience.	
43	Mr Deane confirmed that there was no capital available to rebuild the College and develop the area down by the River further. Mr Deane shared the location of the property on Google Earth and discussed the challenges of the access. It was noted that the land was very sloped.	
44	Committee members agreed that the discussion had raised some points in relation to the liabilities involved in being a private landlord.	

45	Mr Deane confirmed that access to the College around the back of the North Lodge properties was blocked.	
46	**Resolved:** Committee members recommended the sale of North Lodge on the basis that income is maximised, the College obtain an independent valuation and agreed to ringfence any income in relation to capital. It was agreed that this would be considered by the Committee once the valuation had been received in line the delegated authorities in relation to the sale.	
47	Mr Deane provided an update on RAAC; The College would have six portable classrooms placed on site and had requested an additional six for September. Three caseworkers had now been involved and Mr Deane reported that there had been challenges regarding delays and getting paid in arrears in relation to the improvements on site to replace RAAC. Mr Deane commented that there had been a response to the position from the sector with a request that it is recognised that Colleges are not schools and a request to move to a condition fund. The DfE is currently insisting on all RAAC being removed therefore this may result in some re-build.	
48	Committee members noted that the College had already paid some fees in relation to this issue and there had been delays in payments. It was agreed that it was the approach being taken was challenging to the College was the impact on the students and the provision.	
49	Committee members noted T-Level allocation and the other funding received.	
50	**Resolved:** Committee members received the update.	
	FC/24/106 - Finance Report including dashboard and staff pay increase	
61	Mrs Harrison presented the Financial Report. The Report contained a number of appendices covering, Income and Expenditure Account for period ending 31 January 2024, Balance Sheet at 31 January 2024, Cashflow forecast to July 2024, Finance Dashboard, Debtors Report to 31 January 2024.	
62	The College was reforecasting an operating surplus of £0.4k which assumed the sale of North Lodge as covered in Estates & Capital Update paper. Earnings Before Interest Tax and Depreciation (EBITDA) was being predicted at £292.3k surplus or 3.03% of income which should result in a 'Good' financial health grade for 2023/2024.	

63	The Senior Leadership Team (SLT) recommend deferring any decision in relation to pay increase to June 2024 when there will be greater certainty in relation to outturn position for year and funding allocations as well as inflation. Although no firm recommendation made, the forecast outturn includes a 3% pay increase as budgeted.	
64	Number of questions and responses raised in advance as follows;	
65	*The deficit for the year is forecast to be £117k, against a small positive budgeted outcome. I would like to ask if anything can be done to bring the numbers back to the budgeted amount, as it is still early enough in the year.* *The deficit predicted includes the in year reduction of £85k that the college is receiving in relation to T Level funding paid via the 16-19 funding allocations from DfE. This in year reduction is due to the low number of student enrolments onto T Levels.*	
66	Response from Mrs Harrison - We are trying to minimise pay and non-pay expenditure wherever possible and maximise income. The key figure is the EBITDA figure and achieving a % that returns us to good financial health and this forecast does.	
67	*For example, the payroll costs hourly paid still show the full budgeted cost for the year, but year to date we have a benefit of £31k.*	
68	Response from Mrs Harrison - full budgeted cost is still showing but this covers all hourly paid claims, ERS NI on claims and ERS pension on claims, when variance added together it totals current underspend of £2.5k. We have proposed delaying a decision on pay to ensure we have enough information to be confident we will return to good financial health with whatever pay award we decide upon.	
69	*Also, the 19+ student nursery payments, we show £10k year to date by £130k for the full year. 19+ Bursary*	
70	Response from Mrs Harrison - College has allocated a budget of £130k for financial assistance to students which is a requirement of Adult Education funding. This allocation is shown as the budget, expenditure is based on the applications processed to date and payments made to students. Expenditure is negated by the income line which also shows £130k as the college cannot profit from bursary allocations. This expenditure also supports enrolment and retention and helps us towards the 97% tolerance so we can achieve the full AEB allocation.	

71	*In the cash flow forecast, what is the £149k clawback in December 2024, does this relate to the current financial year?*	
72	Response from Mrs Harrison - This relates to the clawback in relation to HTQ capital funding the college received. Capital allocation was spent on equipment for areas commencing HTQ's in 23-24 however, there is clawback if student numbers do not hit 80% of those stated in the bid. Currently ours don't and therefore there is a likelihood of clawback. This has been put in the cash flow and figure has since been updated based on current potential clawback projections.	
73	*What is the total doubtful debt provision in the balance sheet, does it cover all debts over 180 days old?*	
74	Response from Mrs Harrison - Total doubtful debt provision on balance sheet is £23.7k and covers all debt over 180 days.	
75	Mrs A Treacy, Finance & Resources Committee Chairman / General Member raised a query on items regarding capitalisation, Mrs Harrison conformed that those items had been related to RAAC.	
76	It was noted that the external auditors would review these items and some items would be moved to revenue, the associated grants received would be moved to income. It was agreed that it was important to be aware of this in relation to the preparation of the Accounts.	
77	Committee members discussed the amount and level of data provided; it was agreed that this was appropriate for the Committee. It was agreed that Mrs Harrison would share the management accounts with the Committee monthly. It was agreed that the report would be provided to the Board with the appendices provided online only via MS Team group, maybe a reference within the papers.	**Action: Anita Harrison Monthly via MS Teams group**
78	Mrs Harrison commented that during the Internal audit review on budgeting, the Internal Audit team had been impressed by the amount of information provided to the Committee / Board.	
79	**Resolved:** Committee Members received the Financial Report to the 31 January 2024.	
80	*It was noted that the February 2024 financial report would be provided to the Board in March.*	

	FC/23/107 – Funding Allocations	
81	Mrs Hart provided an update on funding allocations. Mrs Hart explained that there had been a funding rate increase for T-Levels of around £2900 and standard study programmes funding allocation had increased by around £75.00.	
82	Additional funding for Maths and English had been provided; 3 hours additional for English and 4 hours Maths, £375 per student per subject.	
83	There had been indicated an increase to 16-18 allocation, however confirmation of this was awaited.	
84	Mrs Hart referred to AEB changes – ASF (adult Skills Fund) funding rate changes had been implemented due to the number of guided hours. In some qualifications there had been a significant increase, and in other a reduction. Mrs Hart confirmed that should would be undertaking a review against the current provision.	
85	Mrs Hart confirmed that ASF was split between standard Adult funding and Skills fund tailored learning to support students to progress to further learning – community learning.	
86	The College was collecting additional information including why people are undertaking the training.	
87	Committee members discussed the impact of devolution and how the College was pressing to ensure that the Local Authority funding pot was maximised to demonstrate that there is a need to provide the provision.	
88	It was noted that loan rates may have to increase to reflect the changes in funding.	
89	Committee members discussion the challenges in relation to the movement in funding bands. It was agreed that post 16 qualification reforms were likely to provide a challenge. Level 2, three different routes looking to follow, pre-T-level, employment and academic.	
90	Mrs Hart commented that there had been some advice from the AoC in relation to marketing. The College marketing should just comment on the areas the College offer courses in, without reference to the name of the qualifications. It was noted that changes could have consequences in relation to the areas of study and the mix offered to students.	
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92 93	Committee members noted the lack of A-Levels within the College and how this links within the College. It was noted that the budget would be brought to the June Committee meeting for approval at the July Board meeting. **Resolved:** Committee members received the update.	
	FC/24/109 - HR update	
94	Mrs Temprell provided the HR dashboard to cover the period December 2023 to February 2024. Comparisons to data last year were also provided.	
95	In relation to sickness absence; the rate was currently 2.45% overall, there had been a slight increase in absence costs; £33,000 which was an increase of just over £5000. The increase was due to the pay increase of 10% given to all staff in the previous year.	
96	Mrs Temprell explained that there were less spells of absence – Monday seemed to be the most common day for absence.	
97	Mrs Temprell commented that there were targets for staff who were on sickness absence and this was managed well.	
98	In relation to staff development, there had been a very small spend in this area and a reduction in spend in relation to same period last year. Mrs Temprell explained that there had a move to more inhouse staff development delivery.	
99	Mrs Temprell explained that there were more members of staff at the informal stage of incapability.	
100	The head count remained the same, however, FTE had reduced from 179 to 141, there were more part time staff.	
101	Recruitment costs were just over £2000, which was a reduction in the same period last year.	
102	Mrs Temprell referred to the KPIs achieved - absence target, turnover and also days to recruit.	
103	In relation to the four-day working week – feedback from staff was positive and reduced staff turnover was a good indicator. It was noted that indicator figures had gradually improved over the last few meetings.	
104	Mrs Temprell referred to Recruitment – engineering and plumbing still remained challenging to recruit to and this reflected a skills shortage nationally. The College had been	

	successful in recruiting some staff from local engineering firms where there had been redundancy. This had been positive in gaining industry knowledge however, there was a challenge in relation to teaching for staff new to teaching. Committee members noted the positive impact in relation to Teacher Matic to support the development of lessons plans etc.	
105	Committee members also noted that it was positive to have a long handover period although this was costly.	
106	In response to a question around the size of the HR team. Mrs Temprell commented that the HR team was an efficient team, if more money was available, there may be a request for further staff however, the team was operating effectively.	
107	The benefits of the 4-day week were noted and how the College approach had adapted. One unintended consequence was when curriculum teams were planning when could arrange Employment Advisory Groups, this could be arranged on the one Friday in the month when staff were in the College.	
108	**Resolved** - Received the HR dashboard and update.	
	FC/24/110 – Relevant Sector Information	
109	Committee members discussed the Spring budget and the impact of this.	
110	In relation to the National Minimum wage (NMW) impact, it was noted that there was no impact as all staff were paid over the NMW.	
111	Committee members commented that it was good news that the College was moving back to good financial health	
112	**Resolved:** Committee members received the update.	
	FC/24/111 Financial Risks for consideration	
113	Mrs Harrison explained that this was a new report, following the review of feedback from the Board effectiveness review and Board meeting. A similar report would also be provided to the Standards Committee.	
114	Committee members commented that they were pleased that the bureaucracy risk was included and that it was important to keep this at the forefront of thoughts about what was needed.	

115	**Resolved:** Committee members considered the financial risks.	
116	**FC/24/112 Matters for Specific Report to the Corporation** 1. Received and reviewed the Finance report to end of January 2024 with all appendices. The College is reforecasting an operating surplus of £0.4k which assumed the sale of North Lodge as covered in Estates & Capital Update paper. Earnings Before Interest Tax and Depreciation (EBITDA) is being predicted at £292.3k surplus or 3.03% of income which should result in a 'Good' financial health grade for 2023/2024. It was agreed that Management Accounts would be shared monthly and links to finance report appendices would not be provided in the Board pack but maintained separately on the MS Team group. 2. The budget would be reviewed and presented to the next meeting. 3. received an update on allocations and noted the changes which the College had been notified about, Mrs Hart would be undertaking a review against the current provision to understand the impact. 4. Estates & Capital update received. Significant discussion around North Lodge. Agreed that an independent valuation would be sought and a proposal brought to a future Committee / Board meeting. 5. HR dashboard received. Discussed the positive improvement in KPIs and the impact of the four-day week. 6. Received a presentation in relation to IT security and assurances were provided around the software and approach being taken to protect the College. 7. Considered the financial risks to the College, noting that this was a new report and a similar report would be provided to the Standards Committee.	
117	**FC/24/113 Urgent Business / Any other Business** There being no further business the meeting closed.	

Date of next Meeting:
Finance & Resources Committee - Wednesday 19 June 2024, 5.00pm

Signed as a true and accurate record

Chairman
Date

Agenda Item	Description	By whom	By when
FC/24/106 - Finance Report including dashboard and staff pay increase	It was agreed that Mrs Harrison would share the management accounts with the Committee monthly. It was agreed that the report would be provided to the Board with the appendices provided online only via MS Team group, maybe a reference within the papers.	Mrs Harrison Board meeting	**April 2024 onwards**