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MINUTES OF A MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON MONDAY 21 MARCH 2022

Present

Angela Briggs	Governor
Richard Gravestock	Governor
Karen Jackson	Governor
Mick Lochran	Governor
Paul Scanlon	Governor
Mark Swales	Governor

The quorum for the meeting was three Members (at least 2 external).

In attendance

Jo Garrison	Director of Governance / Clerk to the Corporation
Barrie Shipley	Chief Finance Officer
Sharon Smith	Principal/Deputy CEO
Jason Wilkinson	Chief Information Officer

The meeting was held by on MS Teams and commenced at 4.31pm.

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1	Apologies	
	Apologies for absence were received from E Kirk.	
2	Declarations of Interest	
	Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion.	
3	Minutes of the Finance & Resources Meeting held on 26 January 2022 and any matters arising	
	The minutes of the meeting held on 26 January 2022 were agreed as a true and accurate record and signed by the Chair.	
	26/01/22 Item 7 – Action closed	
	26/02/22 Item 9 – Action closed	
4	Performance Monitoring	
	S Smith updated members on performance. Whilst despite not recruiting to the 16 to 19 allocation the group has received its funding allocation for next year and because of the additional funding pots and the increase in the basic rate, the group have secured an extra £800k. There have been an additional 39 enrolments during January. The expectation will see the students retained and progress onto something next year.	
	The tuition fund is currently being mapped to spend on additional tutors who provide additional one to one support and extra sessions for students. R Makey is currently	

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tracking spend to ensure the extra activity is achievable. This will be monitored closely for the remainder of the academic year.

AEB is the highest risk, and the mid-year estimate was sent to the Skills Funding Agency and conversations held with the combined authority for South Yorkshire devolved budget. Whilst there is confidence in the forecast that the group will achieve the AEB for South Yorkshire, the NSF remains a risk that is being tracked and monitored. New partners are engaged to enable achievement of the budget. S Smith informed members this is a real challenge to meet the full allocation for South Yorkshire. She also recognised that overall North Lindsey is doing considerably better in terms of Adult provision. Apprenticeships income was in line with the re-profile with recognition that additional enrolments in engineering were still on hold due to unfilled vacancies.

HE is still a risk, but when last reported retention was around 96%, however after data cleansing based on withdrawals from the student loan company the figure has dropped to 94.3%, this inevitably reduces the income. Members were reminded that the recruitment and marketing strategy had been reviewed by the HEPQ Committee on 09 March 2022. This was received positively and provide assurance of HE recruitment for next year.

S Smith updated members around the curriculum development planning longer term and the refresh undertaken for the next year. Members were informed SLT are trying to get the curriculum directors to have curriculum vision in the planning for September 2022/23 and beyond. The intention to enable the group to resource plan more efficiently and effectively and importantly align to the estates and property strategy for future years to enable growth in curriculum and the capital investment resource that would need to be secured along with staffing requirements. M Swales welcomed the thought and planning including the property and estates strategy for future curriculum planning.

A Briggs raised the adult curriculum recruitment and the first monitoring meeting with the combined authority. A Briggs enquired if the group are unable to show further progress will the allocation be given to another provider if the group does not meet its targets. S Smith advised there was no mention of potential clawback as the national position for FE is that all FE providers have the same issue with the NSF and the current forecast is that part of the allocation will be met. S Smith informed members weekly monitoring of FE allocation will take place after the Easter break with L Berges and D Fenwick around the areas of risk and resourcing for technical areas that continue to be challenging.

Staffing planning is essential and underway to ensure September 2022 staff are in place and inducted for the start of the academic year. Work and projects ongoing to ensure all checks and balances are completed to mitigate the unfilled vacancies. P Scanlon raised the challenges of private sector and the risks to secure staff currently both locally and nationally. S Smith raised again the application of a market forces policy, and this is being reviewed with other partners in a wider context.

Local job fairs are being explored but also different approaches and intervention such as taking progress reviews and some pastoral support (softer skills development) away from teaching staff into more support roles as a mini restructure and mitigation. M Lochran commented the group and leadership team are trying to be creative to what the group needs to continue to grow. There was an acceptance to grow our own technical staff and the acceptance they may not be as productive initially as staff develop into roles.

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	<p>M Lochran shared with members a network discussion around other colleges suspending or removing engineering and construction starts from September 2022/23 in their strategic planning and the number one issue is staffing now. M Lochran has engaged the AoC to undertake a review of colleges removing or suspending curriculum. M Lochran and P Scanlon noted the skills the country is missing out on currently due to these issues and the wider issues of levelling up if the staff are not available to deliver the curriculum.</p>	
5	<p>Management Accounts to end January 2022</p> <p>B Shipley presented the management accounts, informing members of the salient points that continue from the previous report at the last meeting. Income is down for the period, but this is more than offset and mitigated by the reductions in non-pay and staff vacancies that the group are struggling to fill. There is a year-to-date surplus position of £873k compared to a £51k budget surplus. Members were assured the group is significantly ahead of profile currently.</p> <p>There are some challenges with the AEB funding. The mid-year position had performance at 52% for the Sheffield City Region fund and this continues to improve from the previous reporting period. Members were assured that performance was on an upward trajectory, however risk remains to convert planned activity into outcomes for the rest of the financial year.</p> <p>In terms of Apprenticeships, the group has scaled back delivery forecast's based on some of the planned enrolments for the rest of the year being a challenge with ongoing barriers to recruit to engineering. Year-to-date is currently positive and the forecast position of £7.7m February position has not moved and is currently on target to be achieved.</p> <p>The main area of risk is for HE income is attrition and non-continuation are areas for concern that are being tracked on a monthly basis. Monitoring of withdrawals is also tracked and mitigations and support in place to retain students on programme.</p> <p>A review has been completed for non-pay expenditure to try and mitigate some of the income reductions, and the Finance team business partners are working closely with budget holders. B Shipley informed members that whilst the group is forecasting a deficit of around £500k which includes pensions adjustments, when these are excluded, the adjusted operating surplus was a forecast £1.9m surplus which would be a strong financial position. The cash balance is good and whilst there are some delays on some capital expenditure programs the group's financial position is forecasting a financial health position of outstanding.</p> <p>R Gravestock enquired if there was any scenario planning and risk on the recent increase in bank interest rates. B Shipley assured members the loans have a fixed interest rate and not a risk.</p> <p>K Jackson enquired about the reduction in non-pay and wanted to understand the risks around efficiency savings each year and income projections. B Shipley informed members efficiency savings targets have not been set as part of business planning in previous years but increases in non-pay budgets have been limited to below inflation so have an element of efficiency built into assumptions. There may be a need in the future to identify efficiency targets at a more granular level due to inflationary pressures increasing non pay costs.</p>	

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6 Support Areas Autumn Term Updates
a. Estates

B Shipley informed members most of the first term's focus was on day-to-day operations and COVID featured heavily with the vaccination centres and enhanced cleaning. Mandatory inspections were completed during that period.

There has been an opportunity to do a minor restructure of the Estates team and work continues with this activity and the Director of Estates currently. There is scope for a few roles and responsibilities to be enhanced. There is also work around administrative functions and a central helpdesk that oversees both sites. This may provide more efficiencies. To support this, the team are looking at the next suite of module upgrades to the helpdesk package to provide more intelligence around day-to-day operations and maintenance needs at a granular level.

In terms of common trends, the group was struggling to recruit staff not just higher skilled roles but services areas on national minimum wage roles, such as cleaning and catering.

Some of the capital project schemes have risks in relation to the backlog of the ground source heat pumps and other areas of work that were due to be completed in September for the DfE grant funding. However, the group had an extension to the timescales and members had been informed there was the potential clawback of £1m due to the project over running, but members were assured this is deemed a low risk as the constraints were unavoidable. From the October monitoring return, the DfE communication has effectively drawn a line under the delays and the group is confident it will no longer be subject to clawback. The work is due to be completed by 04 April 2022.

There have been other backlogs with Overbury works around the design and costs of projects and the leadership are trying to obtain a resolution. A cause for concern is the timeline for some of the future capital projects which are contingent on works being completed. T Levels applications have been submitted and are captured in the property strategy and the group has increased the capital match. A total of £1.2m match funding has been proposed which is a third towards the project costs.

Members were also advised there is a further £1.3m DfE transformation funding that is awaiting confirmation to be secured but the group was confident this will be awarded. M Swales thanked B Shipley and the team for the assurance provided across the Estates team and the volume of work and pace of which activities are being completed. M Swales recognised the challenges the team currently face. M Lochran echoed the points M Swales raised and praised the work of B Shipley and the estates team who are doing an incredible amount of work and a great job.

M Lochran informed members on the new build project at North Lindsey, and that match funding has now been accepted in writing that the land will secure the match funding. The expectation is a value of £6.3m (25% of the funding) however should the land value be that the estimated value, no further match funding will be expected. B Shipley finally advised members that over the Easter period work will be underway to replace the stairwell flooring at Doncaster.

b. Digital Technologies

Members noted the digital technologies update had been provided during agenda 8 that had been brought forward during the meeting.

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7 Property Strategy

Barrie Shipley advised members the property strategy has been ongoing for several years and is now at a point of needing to refine and revisit some of the principles and a focus on this being curriculum led. It will also align to the digital strategy and how the group delivers the provision to students. Creating space that is important from a pedagogy perspective to promote learning.

North Lindsey has undergone much activity in the latter years with the John Odell and Alan Jackson buildings to enhance the estate. There is work to be done around animal management for both Doncaster and North Lindsey and the need for something different and decision around some of the commercial activities. Members were informed the Nursery at North Lindsey will sit behind the new project build and be overshadowed by the new main building. A paper will be presented to a future board meeting around the short-term issues that arise from this including the significant noise impact whilst building works are underway that will require a re-location of the nursery.

The property strategy focus is shifting to Doncaster and the space planning needs analysis and space utilisation within the building that is currently surplus at the site. The space has some potential opportunities and a need to review the efficiencies. T Level work continues and an application has been submitted to improve digital education, health, engineering, manufacturing, and business administration. The East Block has undergone building works to open spaces, showcase areas and breakout spaces. Members were informed of the innovation for Level 3 and the digital provision and sense of arrival. Also, the possibility of restructuring the atrium and utilisation of the space for reception, customer services and student services. This will enable all services to be in the same space as a central hub.

A Briggs praised the innovation and design for Doncaster and the benefits this will enable across the campus and enquired how the area would be heated for staff in that open space. B Shipley advised this was something being worked through with architects as part of the future options. Members were also encouraged to hear the need to create a space for the HE provisions to provide a feel of a HE institution.

B Shipley shared a presentation of the new build indicative block plans and reported on the size of the two new builds at North Lindsey campus and the utilisation of both buildings. Members enquired as to the start date of the build and informed it is the intention to open in September 2024. There have been some complexities around the land disposal and the space needs of the new building and its location on site. Planning has not yet been submitted, and initial conversations taken place with the local authority. There will be a need to consider a meeting with Highways and the proper disposal of the land. A strategic discussion will need to take place with the DfE with regards to the potential number of dwellings on the surplus land that may need to form part of the planning application. Members were advised that the expectation would be to open in September 2024, but realistically all staff fully vacated of the existing site and rehoused could possibly take until December 2024 with a phased relocation

8 Digital Strategy

To note Item 8 was presented by J Wilkinson after agenda item 3 (minutes and matters arising). Parts of this item are considered confidential and kept as a separate record by the Clerk to the Corporation.

Members were informed that several identified governors had attended an in-depth review of the IT team earlier in the month and given a deep dive on the digital strategy and IT infrastructure projects, issues, and developments.

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The team have spent several months collating the requirements gathering activities and putting together a maturity model across the Group's infrastructure, software, delivery capabilities, partnerships, teaching and learning environments and information security.

Members were informed the Group scored low and only the teaching and learning environments aspects were in a progressive state which incorporates the Skills Boost virtual learning environment through which students and staff have participated on courses.

A key issue and challenge across both sites is the core infrastructure which is at end of life. Members were informed of some of the support issues that sit within the infrastructure and that Doncaster does not currently mirror North Lindsey. Despite this there is no single point of failure in core systems.

K Jackson enquired as to the alignment of the IT strategy and digital strategy. J Wilkinson advised the projects will encompass both infrastructure and software and in turn the wide digital strategy. Members were informed of the software platforms and security tests across the business systems. Additional monitoring of student systems and the explanation of how very old applications have continued necessitating the need to support old infrastructure and versions of underlying software such as Microsoft Windows Server, Microsoft SQL Server because those applications cannot run on newer platforms. Projects are currently looking to add modules 'around' existing systems but only if the security provision meets acceptable standards and the user interface is more user friendly.

Many of the systems are not typically web based and not responsive or mobile friendly applications that can be accessed seamlessly from a phone or tablet and in addition there are identified vulnerabilities due to the 'legacy' design of these systems. The digital strategy will initially look at those core platforms and effectively start to build the Group's system. A Briggs added that this is looking at the vision and enquired if a document has been created to capture that project to date.

Members were informed this vision does not exist in a document yet but Vision is part of the methodology being used to drive the group forward with agile development using the VMOST methodology - Vision, Mission, Objectives, Strategies and Tactics. There is a need to engage in analysis across all the areas within the group and pull this together for a homogenous strategy and roadmap of activities.

J Wilkinson outlined activities being carried out with HR, finance, and curriculum areas to define target operating models across different departments throughout the group. This will ensure the group has the right fit technology and also underpinning this is the need to train and develop our staff internally to grow the in-house expertise and support.

Members were advised that J Wilkinson's vision is to obtain HR and finance systems from third parties as they are not typically easy or worthwhile building and finance need to have a level of assurance they meet with financial controls. It is key to ensure that these systems are more functional and better support the group than the current software. Members were informed that the first six months in post, J Wilkinson has been understanding the overarching vision. Although having defined a 1 year and 3 year set of deliverables he advised that an 18 month strategy is a long time as technology cycles are occurring every 3 months around both infrastructure and applications. He would want to limit key deliverables within an 18-month cycle to deliver an agile methodology that allows the group flexibility to change and adapt to whatever the environment required effectively and efficiently and ensure that all new

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applications are delivered via a service-oriented approach to ensure that applications can function independently with no underlying dependencies but will seamlessly integrate together to form a broader suite of systems. J Wilkinson is looking at platforms such as Power Apps as well as developing in code on the templates / blueprints that have already been established internally.

The balance scorecard has three items to drive process improvements in terms of efficiencies of 30% over a three-year period which members were assured is achievable. Secondly some kind of equivalent [Net Promoter Score®](#) based on the philosophy that a student/learner/partner would recommend DNCG to someone else. The group would then have a score based around detractors, neutrals and promoters. This methodology is very popular in the retail and service industries. Thirdly around information security and the implementation and achievement of certification for ISO 27001:2013 which is the information security international standard that would be a great achievement for the Group and a really important step change in strengthening controls around cyber risk, change management and operational IT controls.

Members discussed the budget defined for the IT team which was initially £1.2m up to the end of September 2021, with the ability to draw down more subject to approval. Looking back at the expenditure over the first term, a total of £931k was drawn down and the team also had the Sheffield City Region funding. This needed to be completely spent by the end of March and the spend has been achieved maximising the funding from that channel. T-Level funding income was slightly overspent with the Construction curriculum area at Doncaster getting a high proportion of spend on T-Level and some SCR Funding. The Capital project budget included a line item which was allocated to replace servers at Doncaster estimated at £200k. It was proposed due to the age of the core infrastructure at NLC and DC to replace it with some nodes likely to be co-located in Professional Data Centres and one node on-premise. The costs are more likely to be approximately £300k due to buying more equipment than originally considered. J Wilkinson explained to members the issues with HPe and the infrastructure costs.

The DoG advised members no additional costs had to be approved at this stage, and B Shipley had informed members this was just a realignment of the budget. The DoG further added if the costs exceed the £300k reallocated budget, that will require committee approval or a Chair's action.

M Lochran joined the meeting at 5.05pm

J Wilkinson advised members the big challenges with dealing with the large vendor-manufacturers who will only provide deal support or bid support to one nominated reseller partner, and the difficulties with finding an appropriate reseller. Members were advised Specialist Computer Centres PLC (SCC) would be the preferred supplier and would meet procurement rules as this could be direct awarded via the ComIT 2 – Complete IT Framework. Members were informed of potential discounts the group hopes to obtain for the delivery of new equipment.

S Smith joined the meeting at 5.07pm

R Gravestock enquired about locally sourced equipment to boost and support local economy and enquired if the vendor fits into that category. J Wilkinson advised members that whilst the group will always support local economy there are a small number of HE Enterprise resellers that are authorised by HPe to sell the high-end equipment the group requires, but also about reputation of providers that are credible for such an important purchase for the group. P Scanlon raised the commercial needs and the procurement strategy mix that needs to be considered and the need to ensure this is documented to be considered.

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J Wilkinson further added that laptop and desktop purchases over the last few years have been from a Staffordshire based supplier which would fall outside the 30-50 mile radius that R Gravestock references. However J Wilkinson has recently purchased new PC's for Visual Arts from a Sheffield based provider which offered a higher spec for less cost with the same 5 year warranty and the rationale around the purchase was about buying very sustainable green IT equipment which sustained less power. Members were also informed that when machines are purchased the Group will ensure compliance as well as ensure high quality, cost effective devices.

B Shipley added this stems from a procurement strategy update given recently to the A&R Committee and it was an additional request to come to this committee. Spend is tracked locally and just under 50% of our spending is in the Yorkshire and Humberside region. This can be demonstrated in bidding tenders and value for money in the broader sense in terms of not just costs or location, but efficiencies and the actual specification of care.

Resolution: Members agreed no resolution was required currently to the budget approval, as the revision to the funding remains within the budget tolerance.

J Wilkinson left the meeting at 7.12pm

9 Sustainability Update

B Shipley provided an update on the sustainability action plan. The Sustainability Group are in the process of publishing the first carbon footprint report by the end of March 2022 and will note the primary activity to be completed by the end of the year. This will focus of a few areas. The woodland project commenced this week, with the planting of 300 trees with the Woodlands Trust in the redevelopment area of the North Lindsey site and this will include volunteers to plant the trees from staff and students to engaging the wider communities.

The group are also engaging with St Leger Homes in Doncaster with regards to potential community projects. Finally, the focus until the end of the academic year will increase recycling projects for staff and students to engage.

10 Governance QIP and Emerging risks

No additional risks were noted by members and acknowledge the committee QIP will be updated with a closing Term 2 position after the Easter period to capture the activity during the term and distance travelled.

11 Link Governor Update

No link governor reports were noted. M Swales informed members he continues to have regular contact and meetings scheduled with L Kirk in Estates and N Mell in H&S. M Swales will provide a full report to the board on 06 July 2022.

12 Any Other Business

a. Confidential Item

This item is considered confidential and kept as a separate record by the Clerk of Corporation.

*M Swales left the meeting a 6.25pm
K Jackson left the meeting at 6.39pm*

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Action

13 Date and Time of Next Meeting:

The next Finance & Resources Committee meeting is scheduled for Monday 27th June 2022, 5.30 pm at Doncaster College / North Lindsey College (Hybrid).

The meeting closed at 6.49pm

Jo Garrison
Director of Governance / Clerk

Signed: (Chair)

Date:

TABLE OF ACTION				
Date	Agenda Item	Action	Responsibility	Date Due
21/03/22	12	Confidential item to be taken to the board on 30 March 2022	B Shipley	30/03/22