

LEEDS COLLEGE OF BUILDING

FINANCE & RESOURCES COMMITTEE

Minutes of the meeting held on Monday 24 February 2025 at 2.30pm, North Street, Meeting Room 1 / Microsoft Teams.

PRESENT:

Peter Norris (PN)	Vice Chair & External Governor (acting Chair for the meeting)
Nikki Davis (ND)	Principal & CEO
Rachel Lindley (RL)	Chair & External Governor (<i>attended via Microsoft Teams</i>)
Michael Norton (MN)	Staff Governor
Mark Roper (MR)	External Governor
Matthew Shields (MS)	External Governor

ATTENDANCE: 6 / 8 = 75% (KPI 80%)

Cumulative attendance: 12 / 16 = 75%

IN ATTENDANCE:

David Pullein (DP)	Vice Principal – Finance & Resources
Sara Mitchell (SM)	Management Accountant (observer)
Jane Taylor-Holmes (JTH)	Director of Governance
Nancy Fearnside (NF)	PA to Strategic Leadership Team (Minutes)

Min. Ref.	Minutes	Actions
1.	FR/25/101 – Apologies for Absence Apologies for absence were received from Laurence Kendall (Associate Governor) and Sarah Wilson (External Governor).	
2.	FR/25/102 – Determination of Observers / Attendees Members agreed attendees / observers at the meeting as per the attendance list above.	
3.	FR/25/103 – Declaration of Interests There were no declarations of interest.	
4.	FR/25/104 – Appointment of Vice Chair JTH explained that RL would be taking over as Chair of the Committee at the next meeting (6 May 2025). JTH asked if there was anyone who would like to volunteer to stand as Vice Chair of the Committee. JTH commented that Governor recruitment had been discussed at the Search & Governance Committee with regard to succession planning and recruitment was being progressed. JTH commented that following discussion with PN, he volunteered to stand in as Vice Chair of the Committee.	
5.	Resolved: Committee members appointed PN as Vice Chair of the Committee.	
6.	FR/24/105 – Minutes of the previous meetings Resolved: The minutes of the previous meeting and the Joint Audit & Risk (A&R) and Finance & Resources (F&R) meeting held on 25 November 2024 were accepted as a true record.	
7.	FR/25/106 – Matters Arising Members noted the updates recorded against the matters arising.	

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8.	PN queried Item 2 (FR/24/113 – 74). DP explained that this related to 16-19 funding; this allocation had been delayed and would not be available until April.	
9.	JTH provided an update on Item 4 (FR/24/116 – 82). JTH commented that the Search & Governance Committee had discussed the option of inviting the Link Governor for HR and Well-being on to this Committee. JTH explained that Julie Tolley would be happy to join the meeting as an observer when a detailed review on HR took place. JTH commented that the feedback from the Governor Skills Audit had highlighted a gap in relation to HR; after speaking with ND, HR would be one of the Governor’s skills that would be advertised; JTH commented that this would not only support this Committee but the Board more broadly.	
	<p data-bbox="199 568 1236 638">FR/25/107 – Financial Performance Report – Management Accounts (January 2025)</p> <p data-bbox="199 667 1236 739">10. DP presented the Management Accounts for January 2025 and explained that SM would be presenting these at future meetings.</p> <p data-bbox="199 768 1236 907">11. DP commented that the key point to note was Apprenticeships. The accounts were in a positive position, subject to the College receiving the End Point Assessment income (approximately 70% of £800k). DP explained that income was now based on actual rather than budget numbers.</p> <p data-bbox="199 936 1236 1008">12. DP explained that the forecasted outturn had been increased by £100k to reflect receipt of the rate rebates for North Street.</p> <p data-bbox="199 1037 1236 1176">13. DP commented that the wood machining workshop had been remodelled and SM had arranged for the old machines to be sent off to an auction, which had raised approximately £86k. Committee members agreed that this was a positive source of income.</p> <p data-bbox="199 1205 1236 1377">14. RL commented that the management accounts showed a very healthy balance. RL acknowledged that there were some challenges in relation to Apprenticeships, End Point Assessments and the compliance audit, which could result in some clawback. RL commented that the College was in a really positive position which had enabled an extra 1.5% pay award to be recommended.</p> <p data-bbox="199 1406 1236 1545">15. MS agreed the position was very positive, with the caveats raised by RL in relation to apprenticeships. MS asked whether different accounting incentives applied to the College. DP commented that there was an element of interpretation, however this did not change the income.</p> <p data-bbox="199 1574 1236 1814">16. PN commented on the £6m cash balance and asked if this would be allocated to capital development. DP commented that the remodelling of the outside of North Street was being investigated and if this went ahead the cost would be approximately £1million. Architects had also been commissioned to look at the toilet facilities at North Street. DP explained that there had been some vandalism and the facilities did need modernising; the cost would be approximately £500k. Further works and investment would be considered.</p> <p data-bbox="199 1843 1236 1915">17. Resolved – Committee members received the Management Accounts (January 2025).</p>	
	<p data-bbox="199 1948 1236 2004">FR/25/108 – HR Update</p> <p data-bbox="199 2016 1236 2078">18. DP presented the paper which had been prepared by K Wells and provided a brief overview.</p>	

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19. 20. 21. 22. 23. 24.	<p>DP referred to the internal audit had been undertaken on the College's Safer Recruitment process and the Single Central Record; the result had been very positive.</p> <p>DP explained that the Aspiring Managers Programme had commenced in January 2025. ND commented that the feedback had been very positive, and the programme had been over-subscribed.</p> <p>DP explained that Well-Being Week was currently taking place and there were various planned activities for staff to join. Details of the activities were included with the paper.</p> <p>RL asked how the activity and paper linked back to the question about risk; the target risk for people recruitment was set quite high. RL asked whether there was an opportunity to look at the risk rating and how activities were working towards mitigating the risk. RL suggested this could be included in future reports to the Committee. It was agreed DP would liaise with KW regarding this.</p> <p>MS queried whether the Aspiring Managers Programme linked to developments across curriculum. ND commented that a further meeting was taking place later this week and a task had been set for attendees to come back with a suggested project based on their experience, with the aim that this would impact their work at the College.</p> <p>Resolved – Committee members received the HR Update.</p>	DP March 2025
25. 26. 27. 28.	<p>FR/25/109 – Sub-Contracting & Partnership Update</p> <p>DP presented the paper which had been prepared by C Fielding, Head of Funding and Compliance, and provided a brief overview.</p> <p>DP explained that the value of sub-contracting was reducing; no new starts had been taken on with NG Bailey and within two years the College would have no sub-contracted provision. It was agreed that this would be positive and reduce risk in this area.</p> <p>MS queried the sub-contracting arrangements. ND explained that the College acted as the Hub and Apprentices were filled into other providers existing groups.</p> <p>Resolved – Committee members received the Sub-Contracting & Partnership Update.</p>	
29. 30.	<p>FR/25/110 – Funding Compliance Update</p> <p>DP presented the paper which had been prepared by C Fielding and provided a brief overview.</p> <p>DP referred Committee members to the 100% audit file check that was being carried out in preparation for an ESFA funding audit. DP explained that currently 99% of files had been audited, with 82% of those being compliant. It was acknowledged that, due to various challenges, it may be difficult to achieve compliance with the remaining 18% of files. DP acknowledged the work that had been undertaken in the audit of the files.</p>	

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31	<p>MS and PN asked if additional resources would help to achieve 100% compliance. DP explained that this would be explored further with CF however, there were a number of complex issues which were impacting on the audit of files. DP explained that the aim was to achieve 100%, however this may not be possible. DP commented that an ESFA funding audit would sample around 30 files out of 2,700. MS commented that it was reassuring that 99% of files had been audited.</p>	<p>DP May 2025</p>
32.	<p>RL raised a question regarding the most recent files and asked if these were looked at now, would the percentage compliance be improved. DP commented that he was confident that all new learners were compliant; systems had been established, and all the checks were being completed for all new learners. RL commented that this was reassuring.</p>	
33.	<p>MR asked if the lessons learned from the review had been cascaded. DP explained that procedures had been implemented to ensure that matters identified were resolved. This was done through ensuring that the funding procedure is followed and this has been the focus for all staff involved. It was noted that that Apprenticeship funding was complicated, with many changes being made in year.</p>	
34.	<p>DP explained that the rules for adult apprentices had recently changed in relation to Maths & English provision; this was now not a requirement. Every employer with an adult Apprentice would be contacted to ascertain whether they wanted their Apprentice to continue with Maths & English.</p>	
35.	<p>PN raised the question of Progress Review compliance and timeliness and asked what level of concern this raised, and if anything could be done to mitigate this. ND commented that there had been a backlog and a plan was in place to catch up and ensure completion. ND explained that compliance did vary by Faculty. PN asked whether the gap could be covered by external people. DP commented that this would be difficult, they would need to know the processes and procedures. DP explained that the current review was felt to be over complicated; this had been discussed at SLT with Curriculum Managers and the Progress Review was currently being streamlined.</p>	
36.	<p>Resolved: Committee members received the Funding Compliance Update.</p>	
FR/25/111 a) – Estates Update		
37.	<p>DP presented the paper which had been prepared by M Hudson, Head of Estates, and provided a brief overview.</p>	
38.	<p>DP confirmed that connection to the Leeds Pipes Network should be completed by March 2025.</p>	
39.	<p>DP explained that work was progressing on the Immersive Classrooms (at both North Street and South Bank 1). This was a joint project between Estates and IT. Once completed Governors would be invited to visit the new classrooms.</p>	<p>DP TBC</p>
40.	<p>Resolved – Committee members received the Estates Update.</p>	

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FR/25/111 b) – Health & Safety Update		
41.	DP presented the paper which had been prepared by A Beckwith, Health & Safety Co-ordinator, and provided a brief overview.	
42.	DP commented that A Beckwith was the College's new Health & Safety Co-ordinator and she had been visible on site supporting staff and students.	
43.	RL commented that the paper was clear. RL asked whether there were several different Health & Safety risks that came under one Health & Safety risk on the Risk Register. RL commented that Health & Safety was often about culture and people following the procedures / rules etc. RL asked if the College had a strong Health & Safety culture or whether more work was required.	
44.	DP explained that the College had a strong Health & Safety culture. Committee members noted that PPE compliance remained an issue with students. ND explained that A Beckwith had established links with CITB regarding sharing their data for their colleges and a comparison could be made. DP explained that Health & Safety was embedded in the College and this was borne out by the statistics presented to the Health & Safety Committee, which he chaired.	
45.	MS asked whether the College had areas where it felt the compliance rules were not sufficiently stringent. DP explained that the College sought to exceed minimum Health & Safety expectations. DP commented that he would need to ask the College insurers regarding the compliance rules. DP commented that the ISO: 45001 Audit was always achieved, and the reports were very complimentary. It was agreed that the outcome of any relevant audits would be presented to a future meeting.	DP TBC
46.	Resolved: Committee members received the Health & Safety Update.	
47.	DP commented that each manager would be invited to future meetings to deliver their updates on a rota basis.	DP / JTH From May 2025
FR/25/112 a) – IT Update		
48.	MN presented the IT Update and provided a brief overview.	
49.	MN commented that the cost of the Immersive Classrooms was high at £342,944, but did include the construction costs which were detailed in the Estates paper. The project was grant funded.	
50.	MN explained that the tablets for the Apprenticeship Assessor and Compliance Coaches (AACCs) would also be progressed through grant funding.	
51.	MN commented that Teams Telephony had been selected as the replacement to the College's current telephone system. The cost was £18,170.00 for the duration of the five-year contract, which would provide a cost saving of around £100 per month.	
52.	Resolved: Committee members received the IT update.	
FR/25/112 b) – Focused detailed review: IT including Cyber Security / Data Protection		
53.	MN gave a presentation on Cyber Security and provided an overview.	

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54.	MN commented that a recent survey had been carried out by JISC on the Landscape of FE compared to HE; this showed that Ransomware and Phishing attacks were the key risk to the sector.	
55.	<p>MN commented that data had been obtained from JISC which outlined the Threat Landscape in 2024. Key areas were:</p> <ul style="list-style-type: none"> • Initial access vectors (Phishing, Business Email Compromise (BEC), Access Brokers (compromised credentials), Compromise of public facing vulnerability and lack of monitoring / reporting). • Cloud security. • Server and endpoint protection (lack of monitoring / reporting). • Organisational risks. 	
56.	The top 20 vulnerabilities observed during penetration testing engagements were outlined – critical areas were shown in red, with high areas in purple and medium areas in blue.	
57.	MN commented that 82% of colleges (85% of HE institutions) had identified breaches or attacks on their IT systems; this was in stark contrast to the wider business community where only 32% reported similar incidents. The number of major incidents and notable incidents in FE and HE were detailed on the slide.	
58.	MN went through the details of various incidents over the four quarters in 2024.	
59.	RL queried whether the data related to the College only or if it was collective across FE and HE. MN explained that the data related to colleges across the sector.	
60.	MN commented that the cost of a ransomware attack to an education institution had been estimated around £2m. The time that critical systems and services were disrupted had been estimated to be between 10 and 20 days (best case scenario).	
61.	RL asked if the College had an approach as to whether a ransomware demand would be paid or not. MN explained that the College was legally obliged not to pay such demands as College funding was public money. MN commented that the British Library had been attacked recently and was still having some service and restoration issues. MN referred to a clip from FE Week which had detailed how hackers had forced a large college to close.	
62.	MN commented that there were four main reasons why research and education institutions were attacked: Money, Espionage, Disruption and Kudos. The impact of a ransomware was outlined in the presentation.	
63.	MN explained that membership of JISC allowed access to their Cyber Security Incident Response Team, Dynamic Denial of Service mitigation services, Cyber Threat Intelligence and Major Incident Support. Detection Programmes were also utilised (End Point Detection and Response (EDR) and Intrusion Detection Prevention). It was agreed that this was a positive resource and provided assurance that additional support would be accessible if needed.	
64.	MN commented that Microsoft Secure Score was utilised and LCB was currently at 84.79%, compared to 53.37% for organisations of a similar size.	
65.	MN explained that the College was certified through Cyber Essential Plus and had undergone internal audits in GDPR and Disaster Recovery; all audit actions had been completed.	

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66.	<p>Training was being investigated to encourage staff to become more cyber aware. The College had invested in software to train IT staff and upskill them in areas such as Cyber Security.</p>	
67.	<p>MN provided an update on areas previously raised:</p> <ul style="list-style-type: none"> • Blackboard (UC) - now migrated to Moodle. • Small number of mobile phones not under IT control – resolved. • Staff GDPR refresher training requirement – this was now carried out annually. • Notification of leavers - IT were now notified immediately by HR. • Phishing training requirement – Cyber Security training now issued to all staff. • Update and migrate to Server 2019 – actioned and some servers were now running Server 2022. • Upgrade to Teams Telephony – this would be implemented at Easter. • ISO 27001 – work still needed to be done. • VPN weakness – this had been hardened but was limited, the College would be migrating away from VPN by the end of 2025. • Student MFA (multi factor authentication) – now set up for anyone connecting externally to the College. 	
68.	<p>MN explained that JISC had produced 16 questions that the College needed to ask itself to assess its Cyber Security Posture. MN gave a detailed overview of these questions, together with the actions taken by the College. MN commented that 11 of the questions were rated as Green, with 4 Amber and 1 Red.</p>	
69.	<p>RL thanked MN for his presentation which had been very helpful. RL asked whether the College had any monitoring factors that gave a sense as to the value of the controls put in place and the current risk. MN explained that all Cyber security measures follow best practice in the industry and compliance was assured by the Cyber Essentials / Cyber Essentials plus certification scheme. The scheme was backed up by the Government led NCSC (National Cyber Security Centre) and was set up to provide a standardised approach to public sector organisations for Cyber Security.</p>	
70.	<p>RL commented that the IT risk (IT47) on the Risk Register was rated 27, with a likelihood of 3 and a target score of 10, and queried whether this would reduce with the controls put in place. MN explained that the target score would be re-evaluated; he explained that the likelihood would never reduce to 1. DP stated that the IT risk would be reviewed as part of the exercise that was being carried out for the Audit & Risk Committee to review all risks. RL commented that she felt it was counter intuitive from a risk perspective that the College was investing heavily in controls, but this was not having an impact on the risk scores whilst acknowledging the threat.</p>	
71.	<p>RL asked whether the Committee that was responsible for a risk should approve the target or at least be made aware of the target that the College was aiming for. It was agreed that risk scores and risk appetite would be considered in due course.</p>	

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72.	RL raised the question of whether, given that this was one of the top three risks, the Board / Committee had the right skills to be able to understand this risk and challenge appropriately. JTH explained that this was one of the areas that she had looked at with ND. When reviewing the skills audit, the threshold for Governors having substantial skills experience and knowledge was 25% and this was not achieved around Cyber Security and GDPR. Governor recruitment would therefore be progressed to ensure that the Board had the necessary skills and experience on the Board.	
73.	Committee members discussed the reporting against this area and it was agreed that the 16 questions and the responses were acceptable KPI's in this area. It was agreed that a report would be developed to ensure that progress in this area was monitored.	MN / DP TBC
74.	MS asked whether, considering recent geopolitical challenges, if the IT risk should be higher? It was noted that the risk was currently rated as 27 which was the highest risk rating available. It was agreed that there was an increase in the perceived risk due to external factors.	
75.	RL asked how often the Cyber Essentials audit took place. MN replied that this was an annual audit and explained the process to members. It was agreed that the Audit and Risk Committee would be notified once the Cyber Essentials had been achieved.	
76.	PN thanked MN for his presentation.	
77.	Resolved: Committee members received the Cyber Security presentation.	
FR/25/113 – Consideration of risks relating to the Committee		
78.	DP commented that all risks were now under review with a focus of the review on scoring and appetite to risk.	
79.	Resolved: Committee members noted the risks relating to the Committee.	
FR/25/114 – Matters to be reported to the Board		
80.	<p>Committee members had:</p> <ul style="list-style-type: none"> • Received an update on the management accounts and the progress year to date. • Received updates from HR, Sub-contracting, Funding Compliance, Estates, Health & Safety and IT. • Noted the project underway between Estates and IT to develop immersive classrooms. • Noted the activities being carried out during Well Being Week and the successful internal audit on the safer recruitment process and Single Central Record. Also noted the success of the Aspiring Managers Programme as part of staff development. • Received the sub-contracting report and noted that activity in this area was reducing with no new recruitments being made to the programme. • Received an update on funding compliance, noting the significant progress made in this area but acknowledging the challenge to achieve 100% compliance. 	

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	<ul style="list-style-type: none"> • Received a detailed presentation on Cyber Security discussing the associated risk and the actions being taken to protect the College. • Considered the risks associated with the Committee and no changes were proposed. • Noted that at future meetings, authors of papers would be invited to attend to present their reports. 	
81.	<p>FR/25/115 – Any Other Business</p> <p>There being no further business, the meeting closed.</p>	
82.	<p>FR/25/116 – Date of Next Meeting</p> <p>The next meeting was scheduled for Tuesday 6 May 2025 at 3.30pm (North Street).</p>	