

**MINUTES OF THE MEETING OF  
THE FINANCE, RESOURCES AND INVESTMENT COMMITTEE  
HELD VIA MICROSOFT TEAMS AT 5.30PM ON WEDNESDAY 17  
NOVEMBER 2021**

<b>Present:</b>	Mr D Langton (Chair) Dr A Birkinshaw Mr E Drake Mr G Dixon (Vice-Principal Finance and Resources)	<b>In attendance:</b>	Mrs J Matthews (Director of Governance) Dr S Morton Dr J Guth
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**ACTION**

**APOLOGIES FOR ABSENCE**

M21/11 There were apologies for absence from the Principal.

**DECLARATIONS**

M21/12 There were no declarations of interest.

**MINUTES OF 30 JUNE 2021**

M21/13 The minutes of the meeting held on 30 June 2021 were approved as a correct record subject to correction of a typographical error at M20/196 to read "An update on the **estates** strategy".

**MATTERS ARISING ON THE MINUTES**

M21/14 Members noted the update on matters arising on the minutes provided in the action tracker.

*M20/163 – valuation*

M21/15 It was noted that the valuation received for the Aireville campus was higher than the book value and the matter had been deferred. It was agreed that a revised due date would be proposed, but within a reasonable timescale.

**VP F&R/DG**

M21/16 It was agreed that the due date for M20/196 regarding the Estates Strategy would also be revised.

**VP F&R/DG**

**PROGRESS UPDATES**

**Business and Community**

M21/17 The Vice-Principal (Finance and Resources) presented the update on Business and Community and it was noted that income was currently adverse to budget due to lower than budgeted apprenticeship numbers and under-delivery of the AEB.

M21/18 A question was asked about whether the control budget had been adjusted to reflect the AEB position, and the Vice-Principal (Finance and Resources) reported that it remained the intention to deliver to budget, and therefore no adjustment was proposed. A further question was asked about why an adjustment had not been made for retention and achievement and it was reported that it had not been done this time but would be moving forward.

M21/19 A Governor questioned whether the shortfall in apprenticeships was due to issues around employers, end point assessments, or shortage of applications, and the Vice-Principal (Finance and Resources) reported that it was the latter, with initial forecasts having been overambitious.

M21/20 In response to a question regarding the issues around AEB, the Vice-Principal (Finance and

	Resources) confirmed that he would discuss it further with the Principal, and the Committee requested that a plan be produced for the Committee setting out how the shortfall would be addressed.	<b>VP F&amp;R/ Principal</b>
M21/21	The Committee agreed that future reports should be combined with the student activity report as proposed.	<b>VP F&amp;R/ Principal</b>
	<b>Student Activity</b>	
M21/22	The Student Activity report had been circulated and it was noted that enrolments were broadly in line with the funding allocation but behind the curriculum plan target.	
M21/23	A Governor challenged what activity was planned to increase 16-18 in-year growth and that January was a key time to offer fresh start opportunities. A further question was asked about whether any work was taking place to ensure that all students were enrolled on as big a programme as possible to maximise income. The Vice-Principal (Finance and Resources) reported that January intakes were being planned, and that all data was being reviewed to ensure that student hours were as high as possible, whilst maintaining audit integrity. A Governor highlighted that the College would need to consider how to address annualised hours for any students recruited in the second term.	
M21/24	Concerns were expressed about the accuracy of some of the figures presented and it was recommended that an interrogation of the historical data took place so more accurate modelling could be carried out. This would allow Governors to better understand the modelling through from application to day 42 figures and make accurate comparisons year on year. Dr Birkinshaw agreed to liaise with the Vice-Principal (Finance and Resources) regarding a contact who might be able to assist with this.	<b>VP F&amp;R</b>
M21/25	The Committee requested that a report be prepared on the actions being taken to address the current year's under-recruitment and modelling for the following year, including use of historical data and conversion rates. It was emphasised that preparing plans for a January intake were the immediate priority, but the Chair requested that the report be presented to the January meeting of the Committee.	<b>VP F&amp;R/ Principal</b>
M21/26	A Governor challenged the situation in relation to HE and it was reported that forecasts may have been over ambitious but recruitment had also been affected by grade inflation in the sector. It was suggested that some other providers may have recruited strongly due to marketing particular specialisms, and the College might benefit from focussing on that, alongside clear targets and marketing strategies.	
M21/27	A Governor questioned the contribution rate from HE and the Vice-Principal (Finance and Resources) agreed that it would be worth carrying out a full costing exercise, although a costing for the Aviation Academy showed it made a strong contribution. It was reported that many of the costs associated with HE were fixed costs so did not allow much flexibility.	<b>VP F&amp;R</b>
M21/28	Governors suggested that internal accountability could be improved by asking managers how they arrived at their targets and that an annual process be put in place so that the rationale for arriving at targets could be fully explained. The Committee agreed that the accountability for these targets applied to the senior team alongside other managers.	<b>VP F&amp;R/ Principal</b>
M21/29	Governors challenged the application data presented which indicated that there were significantly more applications than the previous year, and queried whether there had been double-counting or other inconsistencies. It also indicated some surprising areas of concern and it was agreed that the Vice-Principal (Finance and Resources) would interrogate this data in more detail outside the meeting.	<b>VP F&amp;R</b>

## **FINANCE**

### **October Management Accounts**

M21/30	The Vice-Principal (Finance and Resources) presented the October management accounts and members noted that cash remaining strong. A question was asked about how much concern there was about dropping to the requires improvement health score of 180 points and the Vice-Principal (Finance and Resources) reported that he was not concerned provided the High Street sale completed.	
M21/31	It was noted that overall income was £230k lower than originally budgeted with shortfalls in AEB, HE and Apprenticeships offset by positive High Needs funding.	
M21/32	A question was asked about whether staff costs had been cross referenced with student recruitment and it was confirmed that it had, highlighting issues with class sizes, and the Vice-Principal (Finance and Resources) reported that it was intended to add information on staff utilisation to the metrics. A further challenge was presented in relation to where data on maths and English class sizes was included, and it was reported these were incorporated within their wider curriculum areas, and the Committee requested that these be separated out to give clearer contributions. Members highlighted that class sizes were too low, and it was suggested that consideration be given to whether the offer was too broad and therefore the College was spreading itself too thinly, as class sizes needed to increase for long term viability. The Committee requested that class size be explored further to understand the reasons, providing granularity so that Governors had a clear picture.	VP F&R VP F&R
M21/33	A Governor challenged the changes related to directed study which could skew the staff utilisation data and the Vice-Principal (Finance and Resources) agreed to discuss that further with curriculum colleagues.	VP F&R
M21/34	The Chair thanked the Vice-Principal (Finance and Resources) for providing the data in a form that allowed the Committee to interrogate and challenge, and requested staff utilisation and detailed class size information be presented to the Committee as soon as possible, alongside the proposed next steps to address these issues.	VP F&R
M21/35	The Committee noted that there had been capital spend to replace boilers in Pen-y-Ghent and further unexpected spend was also required to replace the boilers in Ingleborough.	
M21/36	It was noted that the Vice-Principal (Finance and Resources) reviewed cash flow weekly, and the Chair confirmed that he would wish to have sight of it more frequently than on a monthly basis.	VP F&R
M21/37	<b>ESFA College Financial Forecasting Return 2021-23</b> An update from the ESFA on the College Financial Forecasting Return 2021-23 had been circulated and it was noted that the College's return had been completed on the basis of student growth forecast in 2021-22 so would need to be reviewed. A Governor challenged whether forecasting had been too generous and it was confirmed that it had been and it was agreed that the College should aim to get forecasting closer to actual figures.	
M21/38	<b>Control Budget</b> The Vice-Principal (Finance and Resources) presented the Control Budget 2021-22 and it was noted that an investment of £250k for pay had been assumed but it was not now possible to do everything originally planned. The focus was now on the increased national living wage and the lower end of the pay scales. The Chair of the Board reported that this had been discussed at the recent meeting of the Staffing and Remuneration Committee and there were some concerns about how the message was presented to	

	staff. The Vice-Principal (Finance and Resources) reported that work had started on preparing that messaging.	
M21/39	The Committee noted that most of the savings had already been achieved and the Vice-Principal (Finance and Resources) reported that he was confident that the control budget would be achieved, but another reforecast would be undertaken in early 2022.	
M21/40	A Governor questioned how much contingency was available in relation to staffing, and it was reported that there was around £50-60k. Governors recommended that as much contingency as possible was retained.	VP F&R
M21/41	The Committee <b>recommended</b> the Control Budget 2021-22 to the Board for approval.	
	<b>OUR POSITION OPERATING PLAN 2021-22</b>	
M21/42	The Committee had received the Our Position Operating Plan 2021-22 and noted that the biggest single item was the IT roll out, which would be completed by January 2022.	
M21/43	A question was asked about progress with the Employer Engagement Strategy and the Vice-Principal (Finance and Resources) confirmed that he would check that with the Principal. It was noted that Stakeholder Engagement was an item for consideration at the Away Day in January.	VP F&R
M21/44	Governors questioned whether, in light of the under recruitment in the current year, the diversification of income should be reconsidered with investment in core business rather than diversifying. It was, however, recognised that there may be changes to the economic picture which may require the College to respond. The Vice-Principal (Finance and Resources) agreed to discuss the matter further with the Principal and report back to the next meeting.	VP F&R
	<b>HEALTH AND SAFETY</b>	
	<b>Health and Safety annual report 2020-21</b>	
M21/45	The Health and Safety annual report 2020-21 had been circulated and the College was commended on all the work done in relation to Covid 19.	
M21/46	A Governor questioned whether any checks were carried out to ensure that health and safety risk assessments were up to date and that there was compliance in practice. The Vice-Principal (Finance and Resources) reported that all risk assessments were being reviewed and implementation was being checked through peer reviews. A further question was asked about inclusion of more qualitative data including staff and student training in relation to health and safety and completion of that mandatory training, and it was noted that data on mandatory training was reported to the Staffing and Remuneration Committee but would also be included in the health and safety reports in future. It was also agreed that data on near misses should also be included in future reports.	VP F&R VP F&R
	<b>Health and safety policy</b>	
M21/47	The updated Health and Safety policy had been circulated and a question was asked about whether the policy applied to other sites where the College's courses were delivered. It was noted that the College was responsible for risk assessing any premises used and to keep records of that, as well as having responsibility for staff using cars for business travel.	
M21/48	The Committee <b>recommended</b> the updated Health and Safety policy to the Board for approval, and suggested that any volunteers for the Health and Safety link Governor role should contact the Director of Governance outside the meeting.	All

**ESTATES AND TECHNOLOGY**

**Estates report**

M21/49 The Committee had received the estates report and noted that discussions had taken place between the buyer and North Yorkshire County Council regarding configuration of the space at the High Street. A question was asked about whether a planning application had yet been submitted and the Vice-Principal (Finance and Resources) agreed to follow that up after the meeting.

**VP F&R**

**Technology report**

M21/50 The Technology report had been circulated and the Committee discussed the recent denial of service attacks. A question was asked about whether charges could be pressed against the student involved and it was reported that it was unlikely to be in the student's best interests. It was noted that a report on the Disaster Recovery testing would be submitted to the next meeting.

**VP F&R**

M21/51 A Governor asked whether there had been positive communication as a result of the new IT equipment and the Vice-Principal (Finance and Resources) reported that it had been very positive and students were particularly pleased with the improvements at the Aviation Academy.

**Annual Environmental Report 2020-21**

M21/52 Members had received the Annual Environmental Report for 2020-21 and noted that data was now also included in the annual accounts. It was suggested that it would be helpful to have specific goals in relation to a sustainable campus, with timescales, and to incorporate options like Incredible Edible as well as linking to the curriculum and marketing. A question was asked about when the College might be carbon neutral and it was reported that the ambition was to achieve that by 2030. A further question was asked about whether the Estates Strategy would include sustainable measures and it was confirmed that it would.

**RISK REVIEW**

M21/53 Members discussed the risks relevant to the Committee's work and noted that there were five increased risks, however members commented that some risks were green that should not be in the light of earlier discussions. The Vice-Principal (Finance and Resources) reported that some risks had been updated since the paper was circulated and also highlighted that the recent risk management audit had provided substantial assurance around risk management processes.

M21/54 Concern was expressed that when the overall direction of travel of risks was being updated, the mitigation was not also being updated and that this should be addressed.

**VP F&R/  
Principal**

M21/55 The Committee noted that the only red risk related to the failure to recruit to IoT targets and requested that the Committee be provided with information on the plan to address that.

**VP F&R/  
Principal**

**ANY OTHER BUSINESS**

M21/56 The Committee discussed the timing of discussions relating to the 2022-23 budget and it was reported that indications of the allocation for the following year would be available in mid-December, with a clearer picture by January 2022. The Committee agreed that, in light of the information discussed in the meeting, it would wish to start the planning process earlier than in previous years, and that this would be highlighted to the Board at its next meeting. It was emphasised that curriculum planning and budget setting should be one process and it would be better to make an early start even if all the necessary

**Committee  
Chair**

information was not yet available.

**REVIEW OF MEETING**

M21/57

Members reviewed the meeting and agreed there was nothing further to raise.

**DATE OF NEXT MEETING**

M21/58

It was noted that the next meeting would be the joint meeting with the Audit Committee on Wednesday 1 December 2021, with the next meeting of the Committee on 16 December 2021.

**The meeting closed at 7.35pm**