

**MINUTES OF THE MEETING OF
THE FINANCE, RESOURCES AND INVESTMENT COMMITTEE
HELD VIA MICROSOFT TEAMS AT 5.30PM ON WEDNESDAY 16
MARCH 2022**

Present: Mr D Langton (Chair)
Dr A Birkinshaw
Mr E Drake
Mr G Dixon (Vice-Principal Finance and Resources)
Mrs H Kerrick
Mx L Johnson (Principal and CEO) (*to M21/74*)

In attendance: Mrs J Matthews (Director of Governance)
Dr S Morton

ACTION

	APOLOGIES FOR ABSENCE	
M21/59	There were no apologies for absence.	
	DECLARATIONS	
M21/60	There were no declarations of interest.	
	MINUTES OF 17 NOVEMBER AND 1 DECEMBER 2021	
M21/61	The minutes of the meetings held on 17 November and 1 December were approved as correct records.	
	MATTERS ARISING ON THE MINUTES	
M21/62	Members noted the update on matters arising on the minutes provided in the action tracker.	
	<i>M20/165 – health and safety</i>	
M21/63	It was reported that QMS were to carry out the Health and Safety audit and an update would be provided at the next meeting.	VP F&R
	<i>M21/27 – HE contribution</i>	
M21/64	It was noted that this action should be RAG-rated amber not green at this stage.	VP F&R/DG
	<i>M21/48 – Health and Safety link</i>	
M21/65	Mrs Kerrick confirmed that she was happy to take the Health and Safety link role.	
	PROGRESS UPDATES	
	Recruitment update	
M21/66	The Principal presented the Recruitment update and key issues were highlighted. It was noted that 50 level 3 students had been placed in T-level bands but the College did not anticipate recruiting to that target as that cohort did not represent its typical level 3 learner. They highlighted a concern that the College may recruit more level 3 learners than the band funding indicated with applications being buoyant. HE recruitment was down and more targeted recruitment was taking place. Whilst the forecasts were to exceed the West Yorkshire AEB, the non-devolved allocation was a challenge but plans were in place to address that.	
M21/67	A question was asked about whether the T-levels funding was ringfenced and the Principal reported that it was lagged funding. The Principal confirmed that they were confident that the College would hit its actual allocation and expected around 60% of existing applications to convert to enrolments.	

M21/68	A question was asked about whether any keeping warm activities were taking place and the Principal confirmed that keeping warm work was taking place with new school leavers. Whilst previously the College had not differentiated new and progressing learners, the study programme applications set out in the appendix represented only new learners.	
M21/69	In terms of AEB, it was noted that the target for 2021-22 was lower than the actual delivery in 2020-21 and a question was asked about why that was. The Principal reported that represented the lower West Yorkshire allocation taking account of work that had previously been sub-contracted.	
M21/70	A Governor questioned the local demographics for 16-19 year olds and it was reported that they remained largely flat until 2025. The Principal reported that the increased numbers represented a greater market share for the College, probably due to the curriculum diversification.	
M21/71	A Governor challenged whether the feeder school data was being reviewed to identify the areas that might be targeted, and the Principal agreed to look at that, bringing information on the marketing analysis and funnel to the Committee.	Principal Principal
	Funding update	
M21/72	The Funding Update report had been circulated and it was reported that it was hoped to make up the shortfall in the non-devolved AEB allocation with extra allocation from West Yorkshire Combined Authority. It was reported that apprenticeships were on track to deliver and there was confidence that the target would be met.	
M21/73	A Governor challenged whether any action had been taken in relation to the AEB cost base and the Vice-Principal (Finance and Resources) reported that although there had been payroll savings, they had been less than hoped. A further question was asked about Tyro's work and whether it could be planned in advance, and the Principal confirmed the majority of Tyro's work was flexible and on demand.	
M21/74	A Governor challenged the confidence in HE moving forward and the Principal reported that a lot of the HE provision was aviation and that had not yet recovered. A further question was asked about the contribution from HE and it was reported that it was around 70%.	
	<i>The Principal and CEO left the meeting at this point.</i>	
	FINANCE	
	February Management Accounts	
M21/75	The Vice-Principal (Finance and Resources) presented the February management accounts and members noted that financial health remained good and there were no concerns in relation to cash.	
M21/76	A Governor challenged the position in relation to the pay award and pay harmonisation project and it was reported that pay increases to staff paid £25k or below had been made and there remained an ambition to complete the pay harmonisation project. Fulfilling that ambition would depend on the curriculum plan and staffing requirements, and day 42 numbers, so it would be the end of the calendar year before there was a clearer picture. Governors emphasised that, in light of the increased funding that colleges would be receiving, there would be pressure to make a decent pay award and there was no good reason not to do so, provided that recruitment was stable. It was recognised that a good pay award might also assist in recruiting staff, which was currently a challenge for the College, and that high numbers of agency staff were likely to impact quality.	

M21/77	A Governor sought confirmation that the College had no connections to Russian companies and the Vice-Principal (Finance and Resources) confirmed that it did not.	
M21/78	A Governor questioned how long gas and electricity prices were fixed for, and the Vice-Principal (Finance and Resources) reported that it was fixed until the end of the calendar year. It was emphasised that any forecasting should provide for at least a doubling of costs and the Committee requested that energy costs be included as a separate line in the management accounts.	VP F&R
M21/79	A member challenged whether there were plans to address the low average class sizes for the following academic year, as this had not been addressed as hoped in the current academic year. The Vice-Principal (Finance and Resources) reported that the curriculum planning process had started and class sizes were being maximised within the constraints of the physical estate. A member challenged management to ensure that managers increase average class sizes and fit more students into the classrooms.	VP F&R
M21/80	A Governor challenged the numbers used for class size data and it was reported that it was drawn from the registers for each class, so changed throughout the year. It was suggested that measuring funded learners would be more relevant for class size data although members agreed it would also be useful to see how those changed throughout the year. It was agreed that a consistent basis should be used and it would be helpful to have a session for Governors on these metrics and understanding how they are calculated.	VP F&R/DG
M21/81	A Governor questioned whether increasing costs was impacting the Equine development and it was reported that the Auction Mart was paying for the build, and the biggest cost had been the steels which had been bought some months ago.	
	2022-23 Funding Agreement	
M21/82	A paper had been circulated setting out the 2022-23 ESFA funding allocation and it was noted that the College was receiving £553k more funding. A question was asked about the budgeting timeline and it was reported that the final curriculum plans would be ready in early May which would then allow staffing costs to be calculated. It was noted that the FEC had indicated that they wished to discuss the budget at their May monitoring visit.	
M21/83	A Governor requested that the work on staff utilisation, particularly in key areas, be considered, and managers be challenged to ensure their staff were being fully used, even if that was across subjects.	VP F&R
M21/84	A question was asked about whether the additional 40 hours teaching had been factored in yet, and it was confirmed that it had not, and the importance of ensuring overteaching did not take place was emphasised, as well as the need to look at directed study use.	
	OUR POSITION OPERATING PLAN 2021-22	
M21/85	The Committee had received the Our Position Operating Plan 2021-22 and noted that there were challenges around Tyro staffing and the improvements hoped for in employer engagement had not been seen.	
	HEALTH AND SAFETY	
	Health and Safety update	
M21/86	The Health and Safety update had been circulated and it was noted that an external audit was to be carried out. A Governor challenged whether risk assessments were all up to date and being followed and the Vice-Principal (Finance and Resources) reported that they were all on cyclical reviews and a full register would be compiled. The Committee requested that the external auditor be asked to check that risk assessments were being implemented in practice so that the Committee could have assurance around that.	VP F&R

M21/87	A Governor highlighted that Covid had not yet gone away and the Committee agreed that it was important to keep a watching brief on that.	
	ESTATES AND TECHNOLOGY	
	Estates report	
M21/88	The Committee had received the estates report and noted that whilst both parties were now ready to exchange, completion would take longer due to the liaison required with North Yorkshire County Council. Some concern was expressed about the timescales in light of changes in the county council and the Vice-Principal (Finance and Resources) confirmed that he was aiming for completion before the end of the calendar year.	
M21/89	It was noted that PAT testing had yet to be completed and the Committee requested that be completed as soon as possible, and included student machines as well as any equipment brought in by staff.	VP F&R
M21/90	A question was asked about whether the Equine Unit was on target for completion and it was reported that there was no date yet but it was track, and an update would be provided for the next meeting. In response to a question on the possible impact on teaching in September should it not be ready, it was confirmed that delivery would continue in the existing facilities.	VP F&R
	Technology report	
M21/91	The Technology report had been circulated and the contents noted.	
	POLICIES	
	Course Fee and Refunds Policy	
M21/92	Members had received the updated Course Fee and Refunds Policy and a question was raised about the Principal being responsible for complaints about commercial courses rather than for the appeal, and the Vice-Principal (Finance and Resources) agreed to review that prior to submission to the Board.	VP F&R
M21/93	A question was asked about whether there was any challenge to the fee levels through the curriculum planning process. The Vice-Principal (Finance and Resources) reported that fees other than adult fees, would be presented in the next round of meetings. A Governor highlighted that the adult fee was only an assumed fee and the Vice-Principal (Finance and Resources) agreed to review that at the appropriate time.	VP F&R
M21/94	Subject to the amendment requested, the Committee recommended the Course Fee and Refund Policy to the Board for approval.	
	Financial Regulations	
M21/95	The updated Financial Regulations had been circulated and the Committee requested that the definition of a senior manager be clarified. Subject to that, the Committee recommended the Financial Regulations to the Board for approval.	VP F&R
	RISK REVIEW	
M21/96	Members discussed the risks relevant to the Committee's work and noted the increased AEB risk, along with the addition of a risk relating to the tuition fund and executing the estates strategy. It was requested that the RAG rating for the risk relating to the Equine Unit be reviewed if it was on track for completion. It was reported that the red RAG rating related to the IoT targets and the Committee sought to understand the underlying problems in relation to that.	VP F&R/ Principal
M21/97	Members agreed that increasing energy costs should be added to the risk register, along with how the College might respond.	VP F&R/ Principal

REVIEW OF MEETING

M21/98 Members reviewed the meeting and agreed there was nothing further to raise.

DATE OF NEXT MEETING

M21/99 It was noted that the next meeting was due to be held on Wednesday 29th June.

The meeting closed at 7.15pm