



# Heart of Yorkshire Education Group

Joint Audit and Finance, People and Resources Committee Minutes of the

Heart of Yorkshire Education Group

On 29<sup>th</sup> November 2022 at 4pm

Via MS Teams

**Present:** Nigel Brook (NB), Neil Warren (NW), Jason Brook (JB), Michael Clarke (MC), Claire Corneille (CC), Jayne King (JK), Andrew McConnell (AM), Richard Stiff (RS)

**Apologies:** Claire Corneille (CC) – leaving early, Ian Parsons (IP), Neil Warren (NW) – arriving late, Martyn Shaw (MS)

**In attendance:** Jonathan Creed (JC – from ICCA), Richard Lewis (RL – from RSM), Dawn Hartley (DH – Finance Manager), Jason Pepper (JP – Executive Director, Finance and Resources), Antonia Praud (AP – Director of Governance), Karen Sykes (KS – Executive Director – People)

Item		Action
1	<p><b>Declarations of Interest, Apologies for Absence and Welcome</b></p> <p>The Chair welcomed all attendees to the joint meeting.</p> <p>Partial apologies were received from Claire Corneille and Neil Warren and apologies were received from Ian Parsons and Martyn Shaw, which were accepted with consent.</p> <p>There was one declaration of interest: JK, in her employment with the British Library, worked with WYCA, ICCA and RSM.</p> <p>One item of “Any Other Business” was noted – ONS classification.</p>	
2	<p><b>Heart of Yorkshire Education Group Financial Report and Accounts</b></p> <p>See confidential minutes.</p>	
3	<p><b>Internal Audit Report</b></p> <p>See confidential minutes.</p>	
4	<p><b>ONS Announcement</b></p> <p>It was announced today that the FE Sector will return to the public sector again. Guidance will be available in the coming weeks. Headlines suggest that colleges with</p>	

	<p>debt, will have to follow complicated processes, however the group have no loans or debt.</p> <p>There will be additional controls to follow for pay awards for senior staff.</p> <p>The ESFA have also confirmed their will be issuing a new handbook for the sector.</p> <p>There may potentially some benefits from the re- classification including:</p> <ul style="list-style-type: none"> <li>• Pension scheme deficits being underwritten</li> <li>• Schools are underwritten for VAT</li> </ul>	
	<p>Thanks were noted to members of the Audit Committee, who then left the meeting.</p>	
5	<p><b>People Updates</b></p> <p>HR team: The team have been recruiting to Business Partner roles in the last 12 months and have not been attracting the right calibre of staff in the recruitment campaign. The team has also been hit by long term sickness, including the HR Manager at Selby College.</p> <p>They are about to consult on a shared services model, and will try to grow our own talent and develop staff internally using the apprenticeship levy.</p> <p>Group Values: The board helped to share the new values which are having a soft launch, being used in recruitment material and in personal development reviews. There is a plan to have a formal launch in the new year, supported by Lorraine Cross and the marketing team. The values will be more visible across the sites on posters etc.</p> <p>Supporting Futures Selby (SFS): The TUPE consultation has concluded and no concerns were identified. JP and KS have been appointed as new Directors. There are currently 50 members of staff employed through SFS, and subject to receiving no objections it is planned to transfer staff to Selby terms and conditions before Christmas.</p> <p>CC provided reassurance that she has spoken at length with KS, and they have also discussed the harmonisation of pay and benefits across the group.</p> <p>It has been the intention of the group to transfer staff across since the decision was taken to merge. All governors from both committees confirmed their support to the proposal, and to ensure the change could be completed by December payroll, it was confirmed that AM would proceed with Chair's Action, effective from 1<sup>st</sup> December, and note the decision at the board meeting on 12<sup>th</sup> December.</p> <p>Job Evaluation Project: The group have worked with external consultants and 101 roles are being evaluated. The group are also working closely with the trade unions. The data will be used to model a revised pay framework. Thanks were noted to Kathy Fisher for all her hard work supporting the group to get to this point.</p> <p>Pay review Update: With local pay awards of between 4 and 10%, budgeting will be challenging. It is unlikely that the decision will be made in time for February, as the</p>	4

	<p>benchmarking is due to complete in the week commencing 5<sup>th</sup> December and pay modelling activities will take place throughout December.</p> <p>The team are mindful that staff are finding the cost of living crisis challenging, and therefore recommendations will be brought forward at their earliest opportunity.</p> <p>Policies: Governors noted a number of concerns within the recommended Health and Safety Policy. It was recommended to carry this forward, and CC agreed to send through a list of recommendations/ items to consider.</p> <p>Grievance Procedure – governors agreed to approve this in principle, subject to the recommendations from CC.</p> <p>Code of professional conduct – this was approved.</p> <p>The other policies (disciplinary procedure, grievance procedure for Senior Post Holders and Voluntary severance procedure) are being reviewed by the unions and will be brought back for approval in due course.</p> <p>Staff Survey results: This survey was run by York University, and is a survey the group have participated in before (at Wakefield). There were 40 questions and it was agreed that the responses need to be subject to a deep dive. Disappointingly, some results have gone down at Wakefield, although it was noted that Wakefield still performed better than the sector in some responses. The Selby results were understandably much lower.</p> <p>It was agreed that CC and KS would discuss the best steps to review the information and report back to the board. Governors also asked CC and KS to review the level of uptake, as the low participation rate gave cause for concern.</p> <p>People KPI: This was not as developed as hoped, due to staffing challenges and other projects. KS and CC agreed to review this together and report back to the next meeting.</p> <p>Staff absence – at Wakefield the figures are similar to the previous winter. At Selby, the numbers have doubled since last year.</p> <p>The group are also planning an engagement pulse survey for staff that will be completed before Christmas.</p>	<p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p>						
6	<p><b>Minutes of the meeting on 28th June 2022</b></p> <p>The minutes were agreed to be an accurate record of the meeting and were <b>approved</b>.</p> <p><b>Matters Arising:</b></p> <table> <tr> <td>1</td><td>Ratify membership and Chairs of the Audit and Finance, People and Resources Committees on 5<sup>th</sup> July</td><td>Completed</td></tr> <tr> <td>2</td><td>Complete negotiations for the catering contract before the board meeting on 5<sup>th</sup> July and confirm plans with the board.</td><td>The quality of service and food is being reviewed and a new</td></tr> </table>	1	Ratify membership and Chairs of the Audit and Finance, People and Resources Committees on 5 <sup>th</sup> July	Completed	2	Complete negotiations for the catering contract before the board meeting on 5 <sup>th</sup> July and confirm plans with the board.	The quality of service and food is being reviewed and a new	
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	<p>3 Recommend the new name of the committee to the board on 5<sup>th</sup> July</p> <p>4 Develop the terms of reference for the committee and circulate by email</p> <p>5 Develop and report on termly HR metrics, and make a proposal for the committee metrics at the next meeting.</p> <p>6 Agree the annual schedule for the financial metrics reports</p> <p>7 Provide termly reports on the use of tuition funding</p> <p>8 Propose changes to the grading and salary structure</p> <p>9 Provide a recruitment and retention update at the next meeting</p> <p>10 Provide a report separating out merger relating activities at future meetings</p> <p>11 Introduce the new financial MIS system by August 2022</p> <p>12 Recommend the financial plan and budget to the board on 5<sup>th</sup> July</p> <p>13 Review the budget and prepare a risk based contingency plan for the year if there is pressure to increase the pay award</p> <p>14 Provide regular reports on staffing that reference links to the milestones within the group growth strategy</p> <p>15 Develop the narrative for the change in financial aspiration, for the next committee meeting, and share with the group board in the Autumn term</p> <p>16 Develop the financial reports so that exceptional/ merger related costs and projects are reported in a separate line (s)</p> <p>17 Review the HR policies in an additional meeting at the start of September</p> <p>18 Review the staff survey action plan and workforce strategy</p> <p>19 Recommend the Fees and Charges Policy to the board</p> <p>20 Attend an additional meeting in September to review a number of HR items before their recommendation to the board in October</p>	<p>contract is required Completed</p> <p>On agenda</p> <p>On agenda</p> <p>Ongoing</p> <p>Ongoing</p> <p>On agenda</p> <p>In March 2023</p> <p>Ongoing</p> <p>Completed</p> <p>Completed</p> <p>Ongoing</p> <p>Carried forward</p> <p>Carried forward</p> <p>Carried forward</p> <p>Carried forward</p> <p>Carried forward</p> <p>Completed</p> <p>Meeting cancelled</p>	
7	<p><b>Terms of Reference</b></p> <p>Governors reviewed the terms of reference and confirmed they were more balanced now. It was noted it is closer to a document the committee could approve. However, a further review was requested:</p> <p>Of note:</p> <ul style="list-style-type: none"> <li>• A mapping exercise would be useful to ensure it is effective for the Executive Team</li> <li>• Is Infrastructure duplicated?</li> <li>• Does it need to monitor the ESFA financial health score?</li> <li>• Should diversity and equality statistics come to this committee?</li> <li>• Clarity on language used would be useful?</li> </ul>		

	<ul style="list-style-type: none"> <li>Do the terms of reference need to list specific policies the committee will review, and if it is to be prescriptive, are all policies included?</li> </ul> <p>JP and KS were asked to revisit the terms of reference again, noting the points above and confirm the final draft for members.</p> <p>CC left the meeting.</p>	10
8	<p><b>Finance Report</b></p> <p>Group Finance System: The roll out of the new system is largely complete. Some functionality still needs to be switched on. The procurement module will be the next to be activated. The system has experienced some reliability issues. The new group HR and Payroll system will be rolled out in March.</p> <p>Summer Projects:</p> <ul style="list-style-type: none"> <li>New security access was added to Selby College.</li> <li>Improved café created at Selby College.</li> <li>Completion of the ground floor refurbishment in the Radcliffe building at Wakefield College.</li> <li>Improved Engineering access at Castleford College.</li> </ul> <p>Future Projects:</p> <ul style="list-style-type: none"> <li>Bid for a new construction workshop at Castleford College.</li> <li>Submitting a T Level Bid for Selby College.</li> <li>Investment into IT Infrastructure at Selby College.</li> <li>The migration to a group IT system in the summer.</li> <li>Repairing and replacing core kit at Easter so the IT platform is stable at Selby. They are experiencing issues and need new switches and rewiring.</li> </ul>	
9	<p><b>October Finance Update</b></p> <p>At the end of October:</p> <ul style="list-style-type: none"> <li>Income was £1.1m under budget.</li> <li>Pay costs were £44k over budget.</li> <li>Non pay costs were £40k under budget.</li> <li>The outturn is £1.1m under budget.</li> </ul> <p>Variances:</p> <ul style="list-style-type: none"> <li>£600k down on apprenticeships, but this includes the transfer of students from Selby to Wakefield and a number of students were withdrawn or out of funding.</li> <li>HE tuition fees are £239k under budget.</li> <li>FE tuition fees are £197k under budget.</li> <li>Adult Learners – there is a large drop in the number of students paying fees. This may be because there are a number of other options available.</li> </ul> <p>Pay costs:</p> <p>There are £1.7 million of vacancy savings to be made this year. £260k had been achieved by the end of October.</p>	

	<p>Autumn business reviews will take place in the next two weeks, and there will be an opportunity to see which posts can be removed. A full finance report will be shared with the board in December.</p> <p>They do not anticipate any major issues to hinder the achievement of the budget this year. They need to review the capability and capacity impact reports.</p>	
10	<p><b>Effectiveness of the meeting</b></p> <ul style="list-style-type: none"> <li>• Governors noted the meeting had over run.</li> <li>• It would be useful to have a Vice Chair for the Finance, People and Resources Committee, and noted volunteers would be welcome.</li> <li>• It would be useful to have deadlines on all action points.</li> <li>• It would be helpful to avoid the use of abbreviations.</li> <li>• It would be useful to have RAG rated dashboards for the KPI for the committee.</li> </ul>	

#### Action Points from the Meeting:

1	Work together on the development of an assurance map	JP, RL, AP	Spring 2023
2	Creation of a Reserves Policy	JP	Spring/ Summer 2023
3	Create a covering paper for the next set of accounts, noting key variances	JP	With final report and accounts.
4	Confirm Chair's action, noting decision to transfer SFS staff to Selby College terms and conditions	AM	1 <sup>st</sup> December 2022
5	Send feedback through on the Health and Safety Policy	CC/ ALL	January 2023
6	Send feedback on the Grievance Procedure	CC	January 2023
7	Bring back policies to the committee after review by the Trade Unions	KS	At first opportunity.
8	Review the Staff Survey results, and report back to the Committee with a plan for the deep dive and next steps	CC and KS	Next meeting
9	Proposal for the People KPI	CC and KS	Next meeting
10	Share final draft of the Terms of Reference for the Committee	JP, KS and AP	Next meeting