

**Heart of Yorkshire Education Group**

**Finance, People and Resources Committee (Committee)**

**Minutes of the Meeting held on Tuesday 17 June 2025 (Meeting)**

**Present:** Andrew McConnell, Neil Warren (Chair) and Tim Welton

**In attendance:** Caroline Carter, Group Executive Director of Finance and Resources (GEDFR); Karen Sykes, Group Executive Director of People (GEDP); Sam Wright, Principal and CEO (Principal); and Sam Cremore, Head of Governance and Legal Services (Clerk)

**Apologies:** Stuart Brenton

**1. Welcome and Apologies for Absence**

1.1. The Chair welcomed all attendees and confirmed that the meeting was quorate. No apologies were recorded.

**2. Declarations of Interest**

2.1. No declarations of interest were made. Members were reminded to declare any interests that arose during the meeting.

**3. Minutes of the Meeting held on 10 February 2025**

3.1. The minutes of the previous meeting were reviewed and approved as an accurate record.

3.2. IT WAS RESOLVED THAT the Minutes of the Meeting held on 10 February 2025 be approved.

#### **4. Matters Arising**

4.1. The Clerk provided updates on outstanding actions:

- 4.1.1. The Reserves Policy was scheduled for review during the Meeting.
- 4.1.2. A staffing costs and budget deep dive session had taken place, with another scheduled for 3 July, subject to attendance.
- 4.1.3. Vacancy figures had not been included in the current People Report but would be incorporated into the annual report.
- 4.1.4. Standardising Health and Safety incident reporting was expected to improve with the new meeting schedule.
- 4.1.5. A top candidate had been identified for the recruitment of a member with people expertise. A recommendation was pending Board decision.

#### **5. People and Culture Update**

5.1. The GEDP presented the update, which focused on the implementation of the pay award within the agreed budget envelope, legislative changes including gender definition and harassment law, PDR completion rates and quality assurance, and agency staffing controls and cost monitoring.

5.2. Questions and answers:

5.2.1. Q: What is the status of the pay award approval?

A: The framework was previously approved, and implementation is within budget.

5.2.2. Q: Are PDRs being quality-checked?

A: Currently, quality assurance is ad hoc. Future plans include random sampling and peer review.

5.2.3. Q: What controls are in place for agency staffing?

A: A two-form process is being introduced to ensure justification and cost control.

## **6. Finance Report (inc. Management Accounts)**

6.1. The GEDFR reported a projected surplus of £217k, positive variances in pay and non-pay budgets, risks related to Castleford development build delays and Wakefield Council SEND funding and confirmed that financial health remained “Good”.

6.2. Question and answers:

6.2.1. Q: Where is the £13m cash held?

A: Approximately £8m is invested, and the remainder is held in bank accounts. A treasury review is planned.

Q: Will we tip into ‘Outstanding’ financial health?

A: It is unlikely this year, but the financial position is strong. Strategic decisions may be needed to meet new FE Commissioner benchmarks which will be discussed in future meetings.

## **7. Draft Budget and Financial Plan**

7.1. The GEDFR presented the draft budget and financial plan for 2025/26 and 2026/27. Key points included break-even positions for both years, a reduction in cash balances due to capital expenditure and repayment of apprenticeship funding, assumptions for additional funding and pay assumptions including contingency planning. EBITDA was projected above 4% in both years, maintaining a ‘Good’ financial health rating. The GEDFR cautioned that new FE Commissioner benchmarks may require improved EBITDA for ‘Good’ status in future.

7.2. Questions and answers:

7.2.1. Q: Why is our staffing ratio higher than schools?

A: Our curriculum includes high-cost areas such as construction and engineering, which schools typically do not offer.

7.2.2. Q: Are we at risk of being rated 'Red' under new benchmarks?

A: Potentially, under the new EBITDA benchmark. However, many colleges are in the same position.

7.2.3. Q: Should we adjust our reserves policy to reflect this?

A: Possibly. This was reviewed at the next item.

7.3. IT WAS RESOLVED THAT the Draft Budget and Financial Plan be recommended to the Board for approval.

## **8. Reserves Policy**

8.1. The Committee reviewed the updated Reserves Policy, which proposed increasing the minimum cash days from 25 to 30, targeting 60 days cash in hand (approximately £7.6m), and introducing a review trigger if reserves exceed 90 days for three consecutive months.

8.2. Questions and answers:

8.2.1. Q: Should the minimum cash days be increased?

A: The Committee considered the advantages and disadvantages of doing so and agreed that the minimum should be increased to 40 days.

8.2.2. Q: Could this lead to hoarding cash unnecessarily?

A: The policy includes a review mechanism to prevent excessive cash retention.

8.3. IT WAS RESOLVED THAT the revised Reserves Policy be recommended to the Board subject to the amendments requested.

## **9. Estates Update**

9.1. The Estates update, delivered by the GEDFR covered summer works at Castleford to increase classroom capacity, delays and contractor issues with the Post-16 new build, F Block refurbishment which was planned for Christmas, temporary accommodation plans for electrical installation students, and ongoing negotiations with the Football Foundation regarding 3G pitch funding and legal terms.

9.1.1. Q: What is the risk of losing the Football Foundation grant?

A: The risk is moderate. Legal terms are being challenged, and a fallback plan to self-fund is being considered.

9.1.2. Q: Will the Castleford build be ready for September?

A: Completion is now expected by November. Members were satisfied that the necessary steps had been taken to mitigate any potential material risks caused by the delay.

## **10. Financial Regulations 2025/26**

10.1. The Committee reviewed the updated Financial Regulations, which included clarifications on delegation and approval thresholds, updates to reflect DfE guidance on novel and contentious transactions, improved asset check procedures, and plans for a future overhaul to improve accessibility for non-finance staff.

10.1.1. Q: Where are online payment approvals documented?

A: Section 19.2 outlines the workflow and approval thresholds.

10.1.2. Q: Who are the designated BACS authorisers?

10.1.3. A: Roles are defined internally. The document will be updated to reflect this.

10.2. IT WAS RESOLVED THAT the updated Financial Regulations be recommended to the Board.

## **11. FE Tuition Fees Policy (and Higher Education Tuition Fees)**

11.1. The Committee reviewed the updated tuition fees policy, which included benchmarking of HE deposit practices leading to a proposed removal of the £150 deposit requirement, a new extended 14-day trial period for HE learners before formal withdrawal decisions, confirmation of the increased £7,400 HE fee pending Office for Students approval, and consideration of future fee uplifts based on enrolment trends and student feedback.

11.2. Questions and answers:

11.2.1. Q: Why remove the HE deposit?

A: Benchmarking shows most providers do not require it, and we have lost learners due to this policy.

11.2.2. Q: Is the £7,500 fee competitive?

A: Yes, and it reflects the current learning environment and facilities.

11.3. IT WAS RESOLVED THAT the Tuition Fees Policy be recommended to the Board.

## **12. Insurance Arrangements**

12.1. The Committee noted the insurance arrangements in place through August 2027. Key points included a low claims history since merger (five claims total), a slight increase in the annual premium cost, and a proposed annual insurance review for future meetings.

12.1.1. Q: Are we covered for cyber incidents?

A: Yes, but a further review of adequacy is planned. The GEDFR gave the claim limit.

12.1.2. Q: Where are data breach reports handled?

A: These are handled through the Audit Committee, as per the terms of reference.

12.2. Members were assured that the Group's insurance arrangements were sufficient but asked for regular updates.

## **13. Health and Safety Update**

13.1. The Health and Safety update, delivered by the GEDFR, included increased incident reporting attributed to improved culture and tracking, plans to implement QR code based near miss reporting, a recent RIDDOR incident, and risk assessment consolidation with a July deadline for updates.

13.2. Questions and answers:

13.2.1. Q: Why are Castleford's risk assessments higher than Selby's?

A: Different reporting approaches are used. Castleford uses per-product assessments.

13.2.2. Q: Are PDRs linked to Health and Safety culture?

A: Yes, and quality assurance of PDRs is being strengthened.

13.2.3. Q: What assurances can you give the Committee regarding the appropriateness and sufficiency of actions taken relating to the RIDDOR incident?

A: Investigations are ongoing to understand the root causes of the incident. An initial meeting of senior staff has been held to plan next steps and further meetings have been scheduled to identify and implement corrective actions. Members asked to be kept informed.

#### **14. Committee Self-Assessment Review**

14.1. The Clerk presented the annual self-assessment. The Committee confirmed that all responsibilities under the Terms of Reference had been met. Some strategic items, such as the climate action plan, were scheduled for the following year. A recommendation was made to clarify the frequency of strategic reviews in the Terms of Reference.

14.2. Questions and answers:

14.2.1. Q: Have we done everything required this year?

A: Yes, with some items deferred appropriately.

14.2.2. Q: Should we stagger strategic reviews?

A: Yes, to the extent possible to avoid overloading any single meeting cycle.

#### **15. Review of Terms of Reference**

15.1. Minor updates were proposed to reflect Board level approval of financial regulations, reserves, and treasury policies, and to clarify Committee responsibilities and review cycles.

15.2. IT WAS RESOLVED THAT the Terms of Reference be recommended to the Board.

**16. Review of Effectiveness of Meeting and Identification of Emerging Risk**

16.1. The Committee noted strong attendance and engagement, though future scheduling may need review due increasing business. Risks identified include estates delays, funding uncertainties, and strategic workload. The Chair thanked all members and closed the meeting.



Signed..... Date 26.11.2025

## Actions

No.	Minute	Details	Deadline	Responsibility
1	4.1.3	Include vacancy figures in the annual People Report.	Next meeting	Group Executive Director of People
2	5.2.2	Provide an update on PDR quality checking	Next meeting	Group Executive Director of People
3	7.3	IT WAS RESOLVED THAT the Draft Budget and Financial Plan be recommended to the Board for approval.	Next Board meeting	Group Executive Director of Finance and Resources
4	8.3	IT WAS RESOLVED THAT the revised Reserves Policy be recommended to the Board subject to the amendments requested.	Next Board meeting	Group Executive Director of Finance and Resources
5	10.2	IT WAS RESOLVED THAT the updated Financial Regulations be	Next Board meeting	Group Executive Director of Finance and Resources

		recommended to the Board subject to minor amendments		
6	11.3	IT WAS RESOLVED THAT the Tuition Fees Policy be recommended to the Board.	Next Board meeting	Group Executive Director of Finance and Resources
7	12.1.1	Provide an update on insurance adequacy review	Next meeting	Group Executive Director of Finance and Resources
8	13.2.3	Keep Committee informed regarding H&S incident response	Next meeting	Group Executive Director of Finance and Resources
9	14.1	Clarify the frequency of strategic reviews in the Terms of Reference.	Next meeting	Clerk
10	15.2	IT WAS RESOLVED THAT the Terms of Reference be recommended to the Board.	Next Board meeting	Clerk