

Heart of Yorkshire Education Group Corporation ('Corporation')

Board of Governors

Minutes of the Meeting held on 2 July 2024 ('Meeting')

Present:

Mohammed Ayub, Ruth Baxter, Stuart Brenton, Nigel Brook, Claire Corneille, Louise Elkington, Dmitry Fedotov, Jayne King, Andrew McConnell (**Chair**), David Powell, Martyn Shaw, Neil Warren and Sam Wright (**Principal**)

In attendance:

Group Executive Director of Finance and Resources (**GDFR**), Group Executive Director of Student Experience and Support (**GDSE**), Group Executive Director of External Relations and Development (**GDER**), Group Executive Director of Curriculum and Quality Standards (**GDCQ**), and the Head of Governance and Legal Services (**Clerk**).

1. Welcome and Apologies for Absence

The Chair welcomed all attendees and noted apologies from Vijay Teeluck. The Chair noted that the Meeting had been called in accordance with the Instrument and Articles and that it was quorate.

2. Declarations of Interest

- 2.1. The Chair noted that staff governors should not count towards the quorum, participate in conversation or be entitled to vote on the pay proposal item and that Jayne King should have no involvement in conversations relating to the appointment of the Senior Independent Director role for which she had been recommended.
- 2.2. No further declarations of interest were made.

3. Minutes of the Meeting Held on 12 March 2024

IT WAS RESOLVED THAT the minutes of the Meeting Held on 12 March 2024 be approved.

4. Matters Arising

- 4.1. The Clerk noted that all matters except one had been actioned or would be discussed during the Meeting.
- 4.2. In relation to the outstanding matter, the Clerk confirmed that nomination forms for the new Castleford Staff Governor had been circulated, with two interested candidates identified. The selected candidate would be confirmed before the next meeting.

5. Student Update

- 5.1. The Student Governor highlighted various initiatives, including:
 - 5.1.1. LGBTQ+ and sustainability events, which saw positive engagement.
 - 5.1.2. A successful recycling programme and new student clubs established.
- 5.2. Governors asked the following questions:
 - 5.2.1. Q: How can the Board further support student engagement in governance?
A: The Student Governor suggested increased use of remote participation tools like Teams, rotating student engagement across campuses and travel provisions. It was suggested that the Student Governor might speak to the incoming student governors to prepare them for the role and encourage attendance. The Executive Team noted that they were aware of and addressing transport issues.

6. Chair's Update

- 6.1. The Chair outlined significant developments:
 - 6.1.1. Emergency action was taken to reengage with the Skills Network due to an unsuccessful tender process in order to prevent disruption to students. The Chair emphasised the need for robust future tendering to avoid similar problems. The measures to address this issue were outlined, with which the Board was satisfied.

- 6.1.2. Chair's Action had been used in relation to estates projects due to time constraints including the catering block and Radcliffe Level 4 refurbishments.
- 6.1.3. The Group had had its annual conversation with the DFE who had concluded that it was a strong performer with a good reputation. He also noted that the Group had received confirmation of its financial health grade which was 'Good'.
- 6.1.4. He and the Principal had met with co-opted governors to ensure they felt included in governance.

6.2. The Vice Chair fed back on the April Governor Development Session noting that student feedback had been generally positive with a suggested improvement of more food options.

6.3. The Chair emphasised the importance of building relationships with Government and local stakeholders to advocate for funding and to position the Group as a leader in skills delivery.

7. Principal's Update

- 7.1. The Principal reported on achievements and challenges noting:
 - 7.1.1. Significant funding had been secured for a variety of provisions and projects.
 - 7.1.2. Retention rates for adult learners had improved, while 16-18 retention showed a slight decline attributed to increased mental health issues among students. High needs, HE and apprenticeships showed a positive picture.
 - 7.1.3. The achievement position was looking strong.
 - 7.1.4. Maths and English remained challenging. She explained the reasons for attendance and retention issues and the actions taken to drive improvements including individual targeted support. It was noted that this was a national trend.
 - 7.1.5. Recruitment for the following year was above target and although it was slightly down at Selby College, targeted action was being undertaken to address this. Extensive recruitment actions would be taken over the summer.
 - 7.1.6. The Group had won a number of prestigious awards.

- 7.1.7. Many student events had been held and students had been on overseas trips.
- 7.2. The Principal noted that three governor development events would be held in the coming academic year and that the first of these would focus on an annual report relating to 2023/24, the approval of KPIs and governor training on sustainability.
- 7.3. Governors asked the following questions:
 - 7.3.1. Q: What are you most proud of for 2023/24?
A: The Principal confirmed she was most proud of the Ofsted inspection grade and the way that staff conducted themselves during this.
 - 7.3.2. Q: What are the biggest challenges going forwards?
A: The Principal referred to the continuing effects of the pandemic, the issues around English and Maths already discussed and political changes as well as building on a positive 2023/24.

8. Update from the Curriculum and Quality Committee (CQC)

- 8.1. The Chair of the CQC outlined the following highlights:
 - 8.1.1. There had been good progress on Quality Improvement Plan actions, the majority of which were green and those that were not were hard to shift items which would take time. There would be a continued focus on improving attendance in English and Maths and tutorials and on the quality of teaching in Engineering
 - 8.1.2. Enhanced student feedback mechanisms were under consideration. It was suggested that existing student engagement session be used to triangulate information to the Committee.
 - 8.1.3. Learning walks had demonstrated to him that the quality assurance process was in action and had highlighted some of the challenges. **Learning walks were to be flagged to CQC members at the start of the following year should they wish to attend.**

- 8.2. Governors asked the following questions:

- 8.2.1. Q: How were recruitment issues in areas like Engineering to be addressed?
A: It was noted that the Executive Team had been keeping the matter under review and a new Recruitment Officer had been recently appointed, bringing expertise in innovative hiring practices.

8.2.2. Q: Has consideration been given to incentivising students to attend governance meetings?

A: **Dmitry noted he had some ideas which he would share with managers.**

9. Update from the Finance, People, and Resources Committee (FP&R) (People Update)

9.1. The People Lead Governor outlined the following highlights:

- 9.1.1. The pay and grading review (discussed below) was a major focus of the People Team's efforts. It was noted that there would be no negative impact on staff.
- 9.1.2. Significantly increased staff survey engagement rates due to positive action taken by the People Team.
- 9.1.3. Significant progress in increasing staff self-declaration rates for protected characteristics.

9.2. Govenrors asked the following questions:

9.2.1. Q: Are there staff awards as there are for students?

A: It was confirmed that there were. Govenrors stressed the importance of engaging with staff as the Group does for students.

10. Pay Proposal

10.1. The pay proposal was presented. It was noted that:

- 10.1.1. Trade unions had approved a new pay structure allowing incremental progression for teaching and support staff.
- 10.1.2. The changes would add £1.35 million to pay costs the following year. It was anticipated that this would improve staff retention and competitiveness.
- 10.1.3. That there would be no reduction in pay for any employees.

10.2. Governors asked the following questions:

10.2.1. Q: What is the estimated cost of incremental progression?

A: It was noted that the cost of progression would add approximately £1 million, annually.

10.2.2. Q: Was it likely that Selby College staff would want to agree to the new offer?

A: It was thought that most Selby College staff would agree to the offer.

10.2.3. Q: Will this proposal improve retention in critical areas like Engineering and reduce the real cost of the scheme?

A: It was hoped that it would, with the new pay structure offering clear progression pathways, making the Group more competitive in retaining and attracting skilled professionals possibly saving the Group money. However, Governors noted that the proposal was not designed to address a lack of competitiveness in the market but rather to address internal pay issues and so retention and recruitment issues may remain.

10.2.4. Q: How will the proposal affect the gender pay gap?

A: **Governors requested a more detailed analysis of the pay proposal's impact on the gender and ethnicity pay gaps.**

10.2.5. Q: How sustainable was the proposal?

A: It was noted that the proposal was affordable at present but might need to be reviewed in future. Governors noted that this might be influenced by the upcoming election.

10.3. **Governors requested regular updates on implementation and uptake.**

10.4. IT WAS RESOLVED THAT the pay proposal be approved.

11. Equality and Diversity Annual Report

11.1. The Equality and Diversity Annual Report was presented.

11.2. Governors asked the following questions:

11.2.1. Q: Why are there achievement gaps in certain vocational programmes and among certain ethnic minority students.

A: It was explained that this was often caused by ESOL students who are often hurriedly entered into exams, having been given notice by the Government that they are soon to leave the country. It was established that the Group took this action to give these students a chance of leaving with a qualification, even if they had yet to complete their course.

11.2.2. Q: What specific actions are planned to address the gender pay gap beyond pay progression?

A: It was noted that due to the makeup of staff, this was a very difficult issue to solve. **The People Lead Governor agreed to discuss the matter with the GDP.**

- 11.3. **The Chair noted that expressions of interest should be put forward for the EDI Lead Governor role.**
- 11.4. Governors recommended removing pass rate data from the public-facing report to focus on achievement metrics. Future reports should include a breakdown of staff data (particularly around protected characteristics and pay distribution). There was an emphasis on the importance of setting measurable ambitious targets.
- 11.5. IT WAS RESOLVED THAT the report be approved subject to the removal of pass rates.

12. Remuneration Committee Annual Report

IT WAS RESOLVED THAT the report be approved.

13. Update from the Search and Governance Committee

- 13.1. The Chair outlined the highlights from the previous meeting of the Committee including discussions relating to Board composition and recruitment, attendance and performance, succession planning and training.
- 13.2. IT WAS RESOLVED that Faye Banks would be removed from the Board following a prolonged period of absence in accordance with the Instrument and Articles.
- 13.3. IT WAS RESOLVED that Jayne King would be appointed Senior Independent Director following Faye's departure.
- 13.4. It was noted that the External Governance Review carried out by the Association of Colleges had been a success and that only a few minor recommendations had been made for improvement to governance practices. The Clerk noted that an action plan had been created to capture these.
- 13.5. IT WAS RESOLVED THAT the governance improvement action plan be approved and that it, along with the AoC's executive summary outcome, be published on the Group's website.
- 13.6. The calendar of meetings was presented to the Board for 2024/25 which was noted.

14. Update from the Finance, People, and Resources Committee (Finance Update)

- 14.1. The Chair of the FP&R Committee outlined the following highlights:
 - 14.1.1. Positive assurances had been received around health and safety.
 - 14.1.2. Capital projects had been discussed including estates projects and IT infrastructure upgrades.
 - 14.1.3. Group financial performance remained as 'good'.
 - 14.1.4. The budget and financial plan had been discussed in detail.
- 14.2. The Board commended the Finance Team on its efforts but stressed the need to remain vigilant in the face of economic uncertainties.

15. Draft Budget and Financial Plan

- 15.1. The budget and financial plan was presented, which it was noted had been reviewed by a deep dive group prior to the Meeting. The following highlights were outlined:
 - 15.1.1. An improved operating position was anticipated for 2024/25 due to ESFA funding increases.
 - 15.1.2. The Group was expected to achieve an ESFA financial health score of 'good' for the coming two years.
 - 15.1.3. The draft budget for the coming two years would generate a break-even outturn before pension charges.
 - 15.1.4. The Group would be expected to continue to generate a healthy amount of cash.
 - 15.1.5. The budget was predicated on certain assumptions, including the control of staffing costs.
 - 15.1.6. The receipt of unbudgeted income, which it was thought there was a good chance the Group would receive, would result in a positive impact on operating outturn and cash.
- 15.2. IT WAS RESOLVED THAT the budget and financial plan be approved but that updated funding information should be provided as appropriate.

16. Construction Workshop Update

- 16.1. A presentation on the construction workshop project was delivered.

- 16.1.1. It was noted that a competitive tendering process had been undertaken, a value engineering process had been done without compromising on quality and the winner of the tender had been chosen.
- 16.1.2. The total projected cost of the project was outlined, which was greater than originally reported to governors.

16.2. Governors asked the following questions:

- 16.2.1. Q: What was the impact of the increased project costs?
A: It was noted that it would impact the Group's reserves and lower its financial health score but not to below 'Good'.
- 16.2.2. Q: Does the budget and financial plan assume the project has been completed?
A: This was confirmed.
- 16.2.3. A: This was confirmed.

16.3. Governors explained that they would have liked an assessment of how much of the Group's income is dependent on the completion of the project and what the Group would lose if it did not go ahead. However, they acknowledged that the number of students at the Group demanded the additional space. **The GDPR agreed to address the rationale for the project in detail in a document which he would circulate.**

- 16.4. Governors noted that the workshop would contribute to the Group's strong skills reputation and that it showed ambition.
- 16.5. IT WAS RESOLVED THAT the Group be permitted to action the project up to a maximum spend of £6.6 million with expectation that £4 million of which would be provided by way of grant funding.
- 16.6. Governors noted that a group of finance expert governors would oversee the process.

17. Finance Report and forecast outturn

- 17.1. The following highlights were outlined:
 - 17.1.1. Risks including agency staffing costs and apprenticeship funding was expected to impact on the year's operating position.
 - 17.1.2. 16-18 numbers were up, and an additional funding allocation had been received.
 - 17.1.3. A relatively small operating loss of under £300,000 was predicted (far better than budget).

- 17.1.4. The Group's financial health rating was expected to be 'Good'.
- 17.1.5. The Group's cash position was healthy although inflated by a delay in the spending of capital grants.

17.2. Governors asked the following question:

- 17.2.1. Q: Will the pay proposal cause the staffing ratio to increase?
 - A: It was acknowledged that it would, but that agency staff would be reduced to offset this to some degree.

18. Tuition Fees Policy

- 18.1. Minor adjustments were approved for higher education fees, ensuring accessibility and competitiveness.
- 18.2. IT WAS RESOLVED THAT the tuition fees policy and HE education fees be approved.

19. Update from the Audit Committee

- 19.1. The Chair of the Audit Committee outlined the following highlights:
 - 19.1.1. That the ESFA apprenticeship audit was ongoing but was being closely monitored. However, it would likely be an issue going forwards.
 - 19.1.2. That cyber security improvements had been made by the Director of IT and his team.
 - 19.1.3. That several key internal audits had been reviewed which had been satisfactory, but others were ongoing.

20. Appointment of Internal and External Auditors

- 20.1. Governors discussed whether there were any issues around having the same external audit partner for ten years.
- 20.2. IT WAS RESOLVED TO appoint RSM as the external auditor, and ICCA-ETS as the internal auditor, following a competitive selection process for a period of three years with a view to extending to five if deemed appropriate, taking into account the length of service of the auditor in charge at the time.

21. Briefing Papers

- 21.1. No questions had been received on the briefing papers prior to the meeting.
- 21.2. The Chair called for comments to be made on the draft Carbon Management Plan which had been circulated.
- 21.3. The Safeguarding Lead reminded Governors to read the latest version of Keeping Children Safe in Education.
- 21.4. The Chair of CQC noted that he had had conversations with management regarding the grading of exceptional TLA in the corporate dashboard. This was acknowledged and it would take time to achieve.

22. Review of Meeting Effectiveness

It was agreed that the Meeting had been effective, and it was closed.



Signed Date 11.12.2024

Actions

No.	Minute	Details	Deadline	Responsibility
1	4.2	The selected Castleford Staff Governor candidate would be confirmed before the next meeting.	The next Board meeting	The Clerk
2	8.1.3	Learning walks were to be flagged to CQC members at the start of the following year should they wish to attend.	The first CQC meeting of 2024/25	Director of Quality and High Performance
3	10.2.4	Governors requested a more detailed analysis of the pay proposal's impact on the gender and ethnicity pay gaps.	None set	GDP
4	10.3	Governors requested regular updates on implementation and uptake of the pay award.	None set	GDP

5	11.2.2	The People Lead Governor agreed to discuss the gender pay gap matter with the GEDP.	None set	GDP
6	11.3	Future reports should include a breakdown of staff data (particularly around protected characteristics and pay distribution)	The next iteration of the EDI Report	GDP
7	16.3	The GDFR agreed to address the rationale for the project in detail in a document which he would circulate.	None set	GDFR
8	21.2	The Chair called for comments to be made on the draft Carbon Management Plan which had been circulated.	None set	GDSES