



Northern College

BOARD OF GOVERNORS

Minutes of the meeting of the Board meeting held on **25 November 2022**.

- Present:** Mark Sanders (Chair), Yultan Mellor (Principal), Claire Clifton, Ann Corrigan, Seb Schmoller (except for consideration of Vice Chair Appointment), Colin Forrest, Tim Thornton, Liz Stanley, Sue Horner, Emma Norton and Neil James.
- In attendance:** The Assistant Principal – Curriculum, Quality, Market and Development, the Assistant Principal – Finance and Business Services (Sue Saunders) and the Clerk to the Governors (Elin Longley).
- Apologies:** Neil Copley and Bob Craig.
- Observing:** Clive Howarth (Department for Education)

DECLARATIONS OF INTEREST

- B22/157 Each governor present declared any potential interests/conflicts of loyalty related to items to be considered at the meeting.
- Liz Stanley declared a potential conflict with respect to her role undertaking internal audits unconnected to the College for BMBC audit services on a self-employed basis. It was agreed that no decisions to be taken at the meeting would be affected and it was not considered necessary for the member to withdraw.
 - With respect to his roles as Deputy Vice Chancellor at the University of Huddersfield and HE advisory member of the West Yorkshire Employment and Skills Committee Prof Tim Thornton declared a potential conflict of loyalty in items relating to the College's higher education provision. It was agreed that no decisions to be taken at the meeting would be affected and it was not considered necessary for the member to withdraw.

VICE CHAIR APPOINTMENT

- B22/158 The Clerk outlined the proposed appointment for the Vice Chair and reported that one nomination had been received. The Board approved the proposed process. The nominee left the meeting whilst a vote was conducted. The vote was unanimous.

Resolved: i That in line with the college's Standing Orders Seb Schmoller be elected Vice Chair of the Board.

BUDGET REFORECAST 2022/23 (Document 3i)

- B22/159 The Board considered a budget reforecast for 2022/23, noting that:
- the plan had been reviewed on a line-by-line basis;
 - the review had increased the deficit to £353k;
 - SYMCA – there had been no additional funding so this had been removed in full;
 - HE tuition fees were significantly lower than expected;

- Air BnB bookings were lower than expected;
- non-pay savings of £103k had been achieved;
- interest receivable had increased;
- long course recruitment was on target to achieve the original budget;
- short courses were below target;
- a new Business Development Manager and Student Recruitment Officer were now in post and a recent stakeholder event was well attended and generated a number of leads;
- vacancy savings had been achieved in commercial and HR;
- the agreed pay award had been made in line with budget, a further adjustment had been included to allow for the increased National Living Wage from 1 April 2023;
- one voluntary redundancy had been approved by the Board and was in line with budget;
- additional external costs relating to legal advice, the estate review and increases in utilities had been included, including a 320% increase in gas costs;
- no adjustments for depreciation had yet been applied;
- a reforecast for years 2 and 3 was included within the plan, assuming 10% growth, and a provision for pay awards and additional posts;
- 2023/24 was almost at break even and a surplus would be achieved in 2024/25;
- cashflow had slightly improved due to carry forward;
- sensitivities around costs and cashflow had been built in;
- there has been an increase in demand for residential but this increases the risk should the uplift be removed.

B22/160 The Board:

- welcomed the very detailed report and careful work undertaken to achieve it;
- explored the revised enrolment plans in detail, testing the robustness of the forecasting;
- tested the assumptions regarding growth in years two and three;
- agreed that class size was an area for further work;
- noted that there was secured project funded work which would contribute to growth;
- agreed that very careful and detailed monitoring was required, and that an early review point in 2023 would be essential;
- agreed that the Board could not rely on growth without carefully testing its realistic achievement at regular intervals, noting that confirmation of project income should be received in early 2023;
- explored why the original projections for 2022/23 recruitment did not materialise and whether this could have been understood earlier, noting that recruitment had been strong in the Autumn, is reviewed on a weekly basis and it is more recent performance on short courses that has caused the real challenge;
- explored the level of confidence in the recruitment forecasts for the remainder of 2022/23 and agreed that this required very close monitoring, noting that adjustments had already been made to terms two and three in line with current performance;
- agreed that the good performance achieved in long courses and residential had been undermined by the later under-performance in short courses and that was a significant concern;
- agreed that the College's short courses and residential offer was important and if residential funding was to cease then the viability of the College would be challenged;
- welcomed the College's focus on securing future residential funding and a longer-term commitment to residential funding;

- agreed that in order to grow the College needed to be able to invest in curriculum developments and resources.

B22/161 The Board supported and approved the reforecast acknowledging that it represented a challenging position, and agreed that a careful review of performance in early 2023 was essential.

- Resolved:**
- i That the revised reforecast for 2022/23 be approved.**
 - ii That a review by the Board of performance against achieving the re-forecast be undertaken in early 2023.**

STRATEGY AND PLANNING

B22/162 The Board received a verbal update regarding **financial stress testing** work being undertaken by BDO. It was noted that FPMO wanted to extend the scope of the work and had agreed to fund the additional associated costs.

B22/163 The Board received a verbal update regarding progress with the commissioning of the **estates review** being jointly undertaken with Barnsley MBC and preliminary legal work. The Board agreed that the further understanding the review would bring in relation to options would be critical and the intention was for a report to be produced early in 2023.

- Resolved:**
- i The Board noted the revised plan for financial stress testing.**
 - ii The Board noted the update on the Estates Review.**

FEC STRATEGIC VISIT LETTER (Document 5i)

B22/164 The Board reviewed the FEC Strategic Visit letter dated 10 October 2022.

- Resolved:**
- i That receipt of the letter be noted.**

POLICIES FOR APPROVAL (Document 6i)

B22/165 The Board considered and approved updated Financial Regulations recommended by the Policy and Finance Committee.

- Resolved:**
- i That the updated Financial Regulations be approved.**

CONFIDENTIAL ITEM (Document 7i)

B22/166 A separate confidential minute was recorded.

DATES OF THE NEXT MEETINGS

B22/167 9 March 2023 – 11.00am (development session 10.00 – 11.00am)
20 July 2023 – 11.00am (development session 10.00 – 11.00am)