



**MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD
ON 12 MAY 2025 AT 9.30 AM IN T108, AT THE ROUNDHOUSE**

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MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 12 MAY 2025 AT 9.30 AM, IN T108 AT THE ROUNDHOUSE

Present: Martyn Marples (Chair), Andrew Cochrane, Mandie Stravino

In attendance: Jo Clifford, Heather Kelly, Di Troman (Item 27/24-25 only)
Rose Matthews (Clerk)

	Action	Date
20/24-25 APOLOGIES FOR ABSENCE There were no apologies for absence.		
21/24-25 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM All members were eligible, the meeting was confirmed to be quorate. The Corporation Chair declared an interest in the Sexual Harassment Policy, which had been produced based on advice from Flint Bishop of which he was Chairman. He did not have any direct involvement with that area or the advice provided.		
22/24-25 MINUTES OF THE PREVIOUS MEETING HELD ON 19 MARCH 2025 RESOLVED: The minutes of the meeting held on 19 March 2025 were approved as a true and accurate record.		
23/24-25 MATTERS ARISING All matters arising were approved by the Corporation in March 2025.		
24/24-25 FINANCE REPORT – PERIOD 8 MANAGEMENT ACCOUNTS The CFO presented the financial performance for period 8, highlighting a positive outturn and surplus ahead of budget. The forecast for the year-end EBITDA is 7.73%. The surplus is high compared to the budget, partly due to released capital funding. Growth funding for additional 16 to 19 numbers was received and reflected in the forecast. Although the allocation was reduced, it was still a positive addition to income.		

The sublease on the Johnson Building was secured, increasing rental income for the rest of the year.

Some provisions in non-pay have been released for the forecast and as an offset there is now a central pay provision for year end with a non-consolidated payment recommended subject to approval. Pay continues to make savings through vacancy drift.

Cash flow remains strong with a closing balance of 19.2 million at period 8. influenced by capital grants. The year-end forecast is expected to be strong.

The financial health is currently outstanding, with a forecast to maintain this status by year-end.

The CFO provided an update on capital projects, including the release of capital grants and the allocation of transformation grants funding. Most projects are now closed, and capital grants have been released.

Sub-contracting was up, year to date.

The capital table showed that all grant projects were claimed in full except for the higher technical skills (HTQ) which did not go ahead.

All grants were tracking well. The next projects involve spending the transformation grants funding by March 2026 and the college condition fund by 2028.

Cash flow is strong, with a closing balance led by the capital grants. The year-end forecast is expected to be healthy. Covenants are looking strong in terms of the year end.

The Committee Chair noted the extra capital in June meant the covenants would be OK, but he asked what it would do to next year. Cash outflow would need to be modelled for next year and alternative options were shared with members.

The CFO explained she would bring an options paper to a future meeting on the loan repayment.

CFO

2025-6

The Corporation Chair questioned now the College was in a good financial position, would that provide the opportunity to explore options that they previously couldn't.

There had always been challenges with securing capital for Broomfield and this might provided an opportunity to improve some facilities there.

RESOLVED: The Committee accepted the Period 8 Management Accounts.

25/24-25 **FUNDING ALLOCATIONS AND BUDGET ASSUMPTIONS**

The CFO presented the draft income and expenditure budget for the 2025-26 academic year, outlining the core income streams and pay assumptions. The purpose of the report was to bring an early-stage indicative budget to gauge what level of EBITDA and return would be acceptable.

16-19 funding had increased due to growth in student numbers (due to demographic climb) and a small increase in funding. It is less clear what the position will be if the College exceed its in-year funding allocation.

Adult skills funding was more complex with separate allocations from East Midlands Combined County Authority (EMCCA) and the DFE.

No details on funding rules had been received from EMCCA but assumptions had been made they would be similar to the DFE. The funding information had been received late and the College had already carried out its planning.

Apprenticeships are funded largely through the levy, with a small growth planned year on year.

High needs funding has increased, but the top-up funding from local authorities remains a challenge.

Pay costs are budgeted to increase and reflect a full year's impact of the local authority pension scheme reduction, national insurance, and the National Living Wage increases and a provision for a pay award above inflation to contribute towards concerns around the imbalance of colleges against schools or universities. Members were informed the unions were proposing a 10% pay award for this year, but negotiations had yet to commence. Pay as a percentage of income continued to be eroded.

Non-pay budget includes inflationary increases and provisions for energy costs, along with the Johnson building costs. Several scenarios were modelled, with the proposal to achieve a minimum of 4% EBITDA to ensure good financial health and meet debt service covenants.

Members discussed the options but concluded that the 4% EBITDA would provide the maximum flexibility and avoid sitting on lots of cash.

The Committee Chair noted the EBITDA projected for this year was 7% and asked how that would be perceived next year.

The CFO explained there was likely to be challenge on the outturn for this year as it was better than projected and questions asked as to why that would not be put into pay. A non-consolidated award was proposed for this year to demonstrate the College were prioritising the pay challenges.

The Committee Chair also asked if there was anything else likely to affect the proposed budget. The CFO advised the College had only received the adult skills allocations last week so may need to review that and make some adjustments. She was revisiting the curriculum plans to provide a more definitive picture.

RESOLVED: The Committee recommended the Draft Budget to the Corporation for approval and proposed the 4% EBIDTA model.

26/24-25 SUB-CONTRACTING REPORT

Full detail of Sub-contracting was presented at the previous meeting.

The CFO sought approval for subcontracting allocations for the next year, emphasizing the importance of early contracts with partners to meet performance management requirements.

The proposed subcontracting budget is £1.5 million, with £1.4 million allocated to current subcontractors and £100,000 retained in the budget. This is based on good partner performance, with positive outcomes as reported at the previous meeting.

It is proposed to award the following contract values for 2025/26:

Subcontractor	2024/25 Original Contract	2024/25 Revised Contract	2025/26 Proposed Contract	Variation
Tempus Training	£500,000	£560,000	£560,000	£0
Skills College UK	£400,000	£480,000	£480,000	£0
The Construction Skills People	£300,000	£360,000	£360,000	£0
Additional allocation subject to performance			£100,000	£100,000
			£1,500,000	£100,000

There is a risk that some sub-contractors had bid directly to EMCCA, but they had all expressed interest in higher value contracts with the College. Although it was noted that may change if they were awarded direct from EMCCA.

The Corporation Chair questioned the advantages to the sub-contractors of engaging direct with EMCCA. It was explained the College top sliced the management fee, but the benefits were all the management, training etc was undertaken by the College.

RESOLVED: The Committee asked to recommend the following for submission to Corporation:

- **it is recommended that ASF contract variations for 2025-26 are awarded to Tempus Training, Skills College and The Construction Skills People to the value of £1,400,000**

27/24-25 STUDENT FINANCIAL SUPPORT POLICY

The CFO shared the updated Student Financial Support Policy and highlighted the main changes, these related to the reduction in the threshold for financial support for adult students. A higher threshold has been applied in 2024/25 for transport support however the changes to the Adult Skills funding and tailored learning allocations has resulted in the funding being reduced and it is proposed to revert back to a single level of assessment of eligibility.

RESOLVED: The Committee recommended the Policy to the Corporation for approval.

28/24-25 SEXUAL HARASSMENT POLICY

The Director of HR joined the meeting to present the newly introduced Sexual Harassment Policy, which focusses on protecting employees from sexual harassment under the Equality Dity. The Policy had been developed in collaboration with Flint Bishop and was based on existing harassment and bullying policies.

Training for employees and managers was ongoing with mandatory training for all employees.

RESOLVED: The Committee recommended the Policy to the Corporation for approval.

The Committee Chair and the CFO discussed the positive relationship with EMCCA and the allocation of funding. They mentioned the importance of working with other colleges' finance teams to meet performance management requirements.

The meeting finished at 10.12 am