



**MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD
ON 25 JUNE 2025 AT 9.00 AM REMOTELY VIA MS TEAMS**

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MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 25 JUNE 2025 AT 9.00 AM, REMOTELY VIA MS TEAMS

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

In attendance: Jo Clifford, Heather Kelly, Rose Matthews (Clerk)

	Action	Date
29/24-25 APOLOGIES FOR ABSENCE There were no apologies for absence.		
30/24-25 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM All members were eligible, the meeting was confirmed to be quorate.		
31/24-25 MINUTES OF THE PREVIOUS MEETING HELD ON 12 MAY 2025 RESOLVED: The minutes of the meeting held on 12 May 2025 were approved as a true and accurate record.		
32/24-25 MATTERS ARISING		
24/24-25 Loan repayment – The College were in not in a position to discuss the options for the loan repayment and this would be built into any future reports when relevant, for consideration.		
33/24-25 FINANCE REPORT – PERIOD 9 MANAGEMENT ACCOUNTS The CFO provided an update on the financial position from period 8 to 9, highlighting the additional post-16 grant funding allocation and its utilisation for early release of pay awards to staff. She also mentioned positive trajectories in apprenticeships, adult education, and nursery income. The EBITDA was referenced which is ahead of budget and an increased EBITDA was forecast, which reflected strong financial performance. Negotiations had commenced with the Unions and approval was sought for a pay award with £1.39m allocated, which will need to be finalised by 31 July 2025. This comprised of two elements – a non-consolidated award to all staff, which reflected the positive year-end position and the release of the additional Post-16 grant, which related to a period from April to August 2025. It was		

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proposed this would be backdated to April 2025 and could both count in that year, provided it was approved and communicated by 31 July 2025.

RESOLVED: The Committee recommended the approval of a non-consolidated payment and release of an additional pay award to the Corporation for approval subject to negotiations with the unions.

Chair

10/07/25

The Committee Chair questioned the application of market supplements for recruitment in difficult areas, with the CFO explaining the ongoing assessment and potential expansion of this practice. Market supplements were assessed as roles were recruited, focussing on high value areas. The practice being expanded to include more roles based on income weighting from a funding perspective. She indicated the practice of market supplements would grow, with a factor built into next year's budget. It was noted however, that recruiting externally with a market supplement would also affect existing employees in those areas.

The Corporation Chair questioned the financial impact of the Johnson Building sub-let on the EBITDA. The CFO said she would have to rework that, it would be a small increase, less than 1% for this year, but likely to impact future years.

The Committee Chair questioned the Income and Expenditure, particularly around 16-19 and Education Contracts income and asked why this was so much better than originally budgeted. He asked if the College were pessimistic when setting the budget and what was planned for next year.

The CFO explained the 16-19 budget was set as per the College's allocation, DCG had received in year growth, but it was always prudent not to budget for growth as the numbers may not come through.

The second element was the Post-16 grant and National Insurance (NI) grant. DCG did not budget for NI as there was no clarity when the budget was set. The Post-16 budget was unexpected, historically this had gone to schools and not to colleges.

The Committee Chair asked if the NI grant had been offset by costs, which it had. The Post-16 grant had the most impact on the bottom line.

The CFO explained the increase in high needs funding and its impact on the budget, highlighting the challenges of accommodating high needs students. The increase in high needs funding was due to exceeding the number of high needs students, leading to additional funding from local authorities to support these students.

The Committee Chair asked if the College had planned to exceed the student numbers. The CFO explained when the budget was set DCG did not anticipate those numbers. Reviews of EHCPs is carried out between now and September to identify those students who want to attend the College. She highlighted the challenges of accommodating high needs students, including space constraints and the need for additional resources, which are being negotiated with local authorities. There was a risk of reaching capacity for high needs students.

An update was provided on the capital funding, mentioning the high cash position and the expectation of new capital funding in June. The ongoing transformation grant and the need to revisit the capital plan based on stock condition surveys and master planning was also discussed.

RESOLVED: The Committee accepted the Period 9 Management Accounts.

34/24-25 BUDGET AND FINANCIAL PLAN, INCLUDING FINANCIAL PLANNING CHECKLIST

The CFO presented the budget plan for 2025-26 and 2026-27, highlighting the increase in government funding and the aim to achieve a 6% EBITDA. She explained the allocation of additional funding for pay awards and the review of management structures.

She highlighted the increase in government funding, which has allowed the budget to aim for a 6% EBITDA, aligning with the FE Commissioner's benchmark for colleges.

Teachers pay had been benchmarked and some of the management structures were being reviewed to bring consistency in some roles. Some additional pay costs have been allocated. EBITDA drops to 5.73% for the following year as income grows.

The CFO described the budget as prudent, not planning for uncertain funding and building in contingencies for inflationary factors and potential shortfalls in adult skills funding.

The budget included a pay award based on the proposal discussed earlier.

The Corporation Chair asked the SLT if they were confident in their proposal for pay. The CFO said the unions had asked for 10% or a £3K uplift to bridge the gap with teachers pay in schools. Teachers pay had been benchmarked with the schools and on the three lower bands it would be aligned or above. At the higher levels it is nearly the same as the schoolteacher pay scales. Adding the non-consolidated award the College is above that. DCG thought they had responded over the past three years to bridge the gap and did meet entry level requirements for teachers last year.

Some of the local measures and workload agreements are more complex. It was unknown until they had met their members on

30th June. The CFO said it was an above inflation offer. **The Corporation Chair asked if that would close the gap in English and maths.** The CFO responded that the College look at hard to recruit market supplements and those payments are on top of that scale.

It was highlighted that the FEC representative questioned non-compliance of KPIs in terms of staffing at the recent Strategic Conversations meeting, which is set at 75%. DCG's pay costs are high because of high needs provision etc.

The Committee Chair summarised the budget was prudent and not dissimilar to the previous year, but more informed. **He asked if 6% EBITDA was a realistic target for the sector.** It was dependent on the college, smaller colleges are struggling to offer a 4% pay award. The College's strategy to focus on 16-18 and demographic growth had placed it in a better position.

RESOLVED: The Committee recommended the Budget and Financial Plan 2025-26 to the Corporation for approval.

Chair 10/07/25

The Committee reviewed and accepted the Financial Planning Checklist/

RESOLVED: The Committee reviewed the Financial Planning Checklist and were happy to support and recommend for approval by the Corporation.

Chair 10/07/25

35/24-25 PROCUREMENT REPORT

Following a thorough procurement exercise, the CFO sought approval of the following contracts.

Animal Care Refurbishment be awarded to Davlyn Construction as per the details of their tender.

Internal and External Decorating Services be awarded to Bell Group as per the details of their tender.

Mechanical and Electrical Works be awarded to RS Projects subject to review and potential cost adjustments to align with the budget.

Recruitment Agency organisations listed are appointed on onto a college agency framework for a period of two years with the option to extend for two years in annual increments.

Title	Suppliers
College Recruitment 7 suppliers	Morgan Hunt UK Limited Reed Specialist Recruitment Exede Ltd Axis Recruitment Dovetail and Slate Ltd Provision Recruitment Ltd (part of Operam) Think FE Ltd ta FE Partners
Cleaning staff	Axis Recruitment

	Blue Arrow Limited
Nursery staff	Axis Recruitment

The Committee heard how the College has been in a five-year (three years plus extension of two years) agreement with FE Protect insurance brokers running alongside an agreement with Aviva for the College's main insurance cover. The agreements were extended for 24 months to 31st July 2025 and require a full procurement exercise during 2025-26.

FE Protect were working on quotes and assessments which need to be in place by 1 August 2025. They will come back with the most cost effective option, but the CFO had not yet got the options to present to the Committee.

Chair 10/07/25

RESOLVED: The Committee recommended the following to the Corporation:

1. **Davlyn Construction are awarded the contract for the Animal Care refurbishment works as per the details of their tender.**
2. **Bell Group are awarded the contract for the internal and external decorating services as per the details of their tender**
3. **That RS Projects be awarded the contract subject to review and potential cost adjustments to align with the budget.**
4. **The recruitment organisations listed in the report are appointed on to a college agency framework for a period of two years with the option to extend for up to two years in annual increments.**

Chair 10/07/25

RESOLVED: The Committee recommended in principle the award of the college insurance renewal to the most economically advantageous provider based upon the exercise completed by brokers. Noting the successful provider will be known by the Corporation meeting.

36/24-25 HE TUITION FEES

The CFO summarised the HE Tuition Fee Report which proposed an uplift in HE fees for 2026-27, explaining the benchmarking against other institutions and the need to remain competitive while covering increasing costs.

RESOLVED: The committee agreed to recommend the proposed fees to the Corporation for approval.

Chair 10/07/25

37/24-25 RATIFICATION OF CHAIR'S ACTION: MFD CONTRACT RENEWAL

The CFO provided an overview of the MFD contract which includes printers, photocopiers, etc., which was due for renewal. The College had been with Konica Minolta for a number of years and have been very happy with the service. They had extended the contract on the basis that the devices were still fit for purpose

even though they had gone past their end of life. However, they have reached the point where they are no longer economically viable or call outs are increasing.

The College had to go out to the market and looked at a number of options. The initial plan was to extend them for a window to align to the 1 August 2025.

However, in negotiation with Konica they proposed an option which was more beneficial than other service providers, which caused the need for a quick response and the Chair's action. The contract was a five-year contract with Konica Minolta at a cost of approx. £576K, which was a cost saving of £25K per year compared with other proposed suppliers.

A direct award was made through the Crescent Purchasing Consortium. The CFO agreed to share the costing framework with members

RESOLVED: The Committee accepted the Chair's Action to approve Konica Minolta as the MFD supplier for a five year term and recommended this be approved at the Corporation meeting.

Chair

10/07/25

The meeting finished at 9.50 am