

Finance & Resources Committee

Wednesday 25 June 2025, 6:00-7:50pm
Block 1 Boardroom (1.204)



Meeting papers link: [25 June 2025](#)

Committee members in attendance:

Jo Chilton
Andrew Hanson (Committee Chair)
Raj Joshi

Officers in attendance:

Jacquie Carman, CEO & Principal
Steph Morley, Director of Governance (via Teams)
Andrew Woodford, Vice Principal/CFO

APPROVED MINUTES

Item	Discussion	Action
1	<p>Welcome</p> <p>The Chair opened the meeting and welcomed all in attendance.</p> <p>It was confirmed the meeting was quorate and that S. Morley, as a virtual attendee, was able to hear and participate in the meeting.</p>	
2	<p>Procedural matters</p>	
2.1	<p><u>Apologies</u></p> <p>Apologies were received and accepted from S. Fisher, who had provided questions/ comments for consideration during discussions.</p>	
2.2	<p><u>Declarations of interest</u></p> <p>There were no declarations of interest for this meeting.</p>	
2.3	<p><u>Minutes of last meeting and actions/matters arising</u></p> <p>The Committee approved the minutes of the meeting held on 11 March 2025 as a true record.</p> <p>Actions/matters arising: A. Woodford advised the contracts register was now in place and improvements continued to be made regarding contract management.</p> <p>All other actions were reported as completed.</p>	
3	<p>College financial performance – current year</p>	
3.1	<p><u>Latest management accounts (May 2025)</u></p> <p>A. Woodford referred the Committee to the management accounts for May 2025. He reported a good position, with income being slightly ahead of budget and lower than projected non-pay costs mitigating the increased pay costs.</p>	

The Committee **noted and received** the management accounts for the period ending 31 May 2025.

3.2 Revised budget forecast 3

A. Woodford presented the revised budget forecast (version 3) and the following was highlighted/discussed:

- The year-end position showed a slight improvement compared to the previous forecast, with Education EBITDA projected to increase to 3.81%
- Some risks remained, in particular withdrawals and achievement
- The release of the restricted funds, previously discussed by the Committee, was imminent
- Capital funds had been received earlier than expected, which would impact on the cashflow; therefore, cash was in a much better position than previously reported and the number of cash-in-hand days had increased accordingly

The Committee was aware of the current appeals related to the recent restructure and suggested provision be made in the budget for any potential employment tribunal cases. A. Woodford advised this should be covered by the existing pay provisions.

The Committee asked if the high level of debtor days (245) reported in the management accounts was correct. A. Woodford confirmed it was and was linked to the time taken for the local authority to pay funding to the college. The Committee requested a breakdown of debt be incorporated into future management accounts, as this would provide a more useful measure.

AW

The Committee asked if the decrease in solvency caused concern and if cash posed a significant risk. A. Woodford stated this was not a concern, particularly in light of improved cash flow monitoring/reporting, the early receipt of capital funding and imminent receipt of restricted funds, and advised his reporting had been overcautious. He confirmed cash was included within the risk register but now posed less of a risk as previously reported.

The Committee asked if a 12-18 month cashflow could be included within future management accounts. A. Woodford referred Committee members to the cashflow forecast to July 2027 within the draft budget (subject to change) and confirmed a more longer-term cash flow would now be added to the management accounts.

The Committee **noted** the updated budget forecast.

3.3 Risks aligned to F&R Committee

A. Woodford referred to the risk dashboard (via PowerBi) and highlighted the top mitigated and unmitigated risks assigned to the F&RC.

The Committee asked if the overreliance on a single coach provider had been resolved. A. Woodford advised the main company used subcontracted when required; therefore, multiple providers were involved. He added the tender process for the contract was due to be repeated in approx. 12 months; therefore, this provided an opportunity to review current provision, and the risk associated with using just one contractor. The Committee acknowledged the small number of companies in the local area providing this service and also highlighted the importance of safety and safeguarding when reviewing current provision and future re-tendering processes.

3.4 Student Union finances

A. Woodford presented the report, which provided the current financial position for the SU and a comparison with previous years. He informed the Committee about the increased focus on improving the SU's financial position this year, which had resulted in an increased reserve balance (approx. £4.4k).

The Committee discussed the work underway to review the SU arrangements and the options being developed to give the SU greater prominence and refreshed focus within the college, which had included visits to other colleges to view examples of best practice in action.

The Committee asked if the previously reported outstanding subscription debt had been cleared. A. Woodford confirmed he would check this; however, it was likely resolved as it had not been identified through the production of this report.

AW

The Committee **noted** the report.

4 **College finances – next year**

4.1 DRAFT Budget 2025/26 and 3-yr plan

A. Woodford presented draft 2025/26 budget and 3-yr plan for review and discussion by the Committee, and advised it remained subject to change as some financial details were to be confirmed (eg the annual pay award).

A. Woodford referred to the commentary report and highlighted the main financial risk as T-Level funding, as a result of recruitment projections, the different funding model and the possibility of clawback if recruitment did not meet target. Conversely, 16-18 programmes were projected to grow, which helped to mitigate the risk posed by T-Level funding; however, J. Carman informed the Committee there would be a significant impact on the income profile if the risk materialised.

The Committee discussed adult learning and apprenticeships as being the two main areas of opportunity for the college, with the college outperforming its adult education contracts, and reporting good recruitment and outcomes for apprenticeships after recent challenges.

A. Woodford confirmed, based on current briefings from the AoC, a pay award of 4% had been factored into the budget, equating to approx. £1m. He advised this was subject to change; although to be able to achieve the updated financial benchmarks recently issued by the FEC, the college would not be able to exceed the 4% increase.

The Corporation asked if the budgeted pay award took into account the cost of any training/re-grades resulting from the recent restructure. A. Woodford confirmed it did not; however, savings would be made in-year due to the assumption that all posts would start from Day 1. He informed the Committee of the need to fully review the salary scales in the coming year due to the impact of successive increases in National Minimum Wage and lack of salary differential between NMW-level roles and their line managers. J. Carman reminded the Committee of the investment in new roles via the recent restructure, the rationale for which had been to drive improvement rather than deliver cost-savings.

The Committee **recommended** the budget's approval by the Corporation at its upcoming meeting, and the subsequent submission of the 3-yr plan and commentary to the DfE.

5 Halesowen College Enterprises financial performance – current year

5.1 Latest management accounts (May 2025)

A. Woodford presented the latest set of management accounts for HCE and reported the company continued to perform well despite the challenging trading environment.

The Committee **noted** the HCE management accounts for the period ending 31 May 2025.

5.2 Three-year business plan and budget

A. Woodford presented the new business plan and 3-yr budget for HCE, which had been approved by the HCE Board at its recent meeting.

The Committee thanked A. Woodford for sharing the document and asked if the new requirements introduced by Martyn's Law should be reflected within the plan. A. Woodford confirmed this would be appropriate and agreed to make the addition.

AW

The Committee **noted** HCE's 3-yr business plan and budget.

6 Estates, capital and IT

6.1 Levelling-Up project update

A. Woodford presented the report, which provided a further detail following the verbal update provided to the Corporation on 17/06/25. He confirmed the report was no longer confidential, as information had recently been released by the local authority.

The Committee thanked A. Woodford for the update and asked what would now happen with Maybrook House following confirmation this project would proceed. A. Woodford confirmed the college would no longer proceed with Maybrook House - the Skills Shop would temporarily be located in Shenstone House and then relocate to one of the LUF project buildings.

The Committee asked about the penalties issued if the college failed to deliver its project outputs/targets. A. Woodford advised this had not yet been provided by the local authority, as they were awaiting the MoU from MHCLG. He informed the Committee, due to when the project was first proposed, capital investment made by the college in its town centre estate since 2020 and targets based on baseline data from 2020/21 were applicable. It was noted the funding agreement would be reviewed in detail upon its receipt to identify penalties and any concerns about failure to achieve targets would be reported to the Corporation, via the F&RC.

The Committee asked, in light of the recent experience with Shenstone House, if contingency had been built into the project's financial planning assumptions. A. Woodford informed the Committee the cost of the current plans was less than those originally developed for the bid, due to the change from (re)build to refurbishment;

therefore, the difference provided contingency funds within the budget on top of that normally built into all construction projects.

The Committee **noted** the report and looked forward to receiving regular updates as the project commenced.

6.2 Estates and capital projects update

A. Woodford presented the report, which provided an update on the main aspects of the college's estates and capital programme.

The Committee asked for a status update on the turning circle proposal and if the cost of the project had been incorporated into the college's budget. J. Carman advised this was currently at the pre-planning application stage and confirmed the project cost was budgeted for. She had recently met local councillors, who were supportive of the proposals, and had agreed to hold an exhibition-style event for the local community linked to the timings of the full planning application to showcase the plans. J. Carman advised this was a wider opportunity for engagement with the local community and confirmed details about the event would be shared with governors once finalised.

JCa

The Committee highlighted the continued pressure on the college's estate, in terms of space utilisation and optimisation, and asked how this was kept under review. A. Woodford confirmed this was reviewed at least annually during staff and curriculum planning and J. Carman advised formal reviews were regularly carried out, with the last one conducted by an external company in 2022. She reported the 2022 review had suggested the college was 35% overcrowded at that time, which was now more likely to be above 40% given the increase in student numbers since. The Committee asked if there had been recommendations arising from that review – J. Carman advised the main recommendation had been to expand/move to a new campus, which had provided the business case for the Trinity Point project, and it was suggested the further expansion through the LUF project provided logical timing for the next review.

The Committee asked if any of the costs relating to windows and render at Trinity Point could be considered as landlord liabilities. A. Woodford confirmed this had been explored and were confirmed as the responsibility of the college.

The Committee **noted** the report

7 **Policy review – for approval**

7.1 Disaster Recovery & Major Incidents Policy

A. Woodford presented the policy, which had been updated to reflect changes to job titles and the new duties for colleges being introduced by Martyn's Law. He advised its approval had been recommended by the Audit Committee at its recent meeting.

The Committee asked if the policy had been reviewed by experts and if there was a requirement to do so. A. Woodford informed the Committee there was no statutory requirement to involve an expert; however, the policy had been reviewed by the expert who had been pivotal in the introduction of Martyn's Law and had been supporting the college in its preparation for these new duties.

The Committee asked if the college had considered aligning to or benchmarking against industry standards, such as ISO22301 for business continuity management. A. Woodford confirmed there were plans to consider this at a later date.

The Committee asked if a mock cyber/security incident was planned to test the plan and leadership/staff responsiveness. A. Woodford confirmed there had been two lockdown drills – Whittingham Road and Trinity Point – and that a mock cyber security incident was planned for the Autumn term.

The Committee recommended hard copies of the plan be kept by senior leaders at home in the event of IT systems or physical locations being inaccessible. A. Woodford confirmed all senior leaders had been given hard copies and that electronic copies would also be stored on GovernorHub, which was not reliant on the college IT network.

The Committee agreed any detailed comments regarding the policy's implementation would be forwarded to A. Woodford following the meeting.

JCh

S. Morley advised the policy had been reviewed by the Audit Committee prior to presentation at the F&RC. The Audit Committee had recommended the policy for approval and had also requested the F&RC considered which committee should be responsible for its approval. S. Morley confirmed the current arrangement of review and recommendation by the Audit Committee, followed by approval by the F&RC, as per the policy framework. It was **agreed** by the F&RC that the existing arrangements would remain and welcomed the Audit Committee's continued involvement at the review stage.

The Committee **approved** the updated Disaster Recovery & Major Incidents Policy.

7.2 Estates Strategy

A. Woodford presented the strategy for review, which had been updated to reflect the projects from the LUF programme.

The Committee noted decision not to state a timeframe on the document because of pace of change and awaited confirmations; therefore, it was agreed a publication date would be added to the strategy.

The Committee **recommended** the Estates Strategy approval by the Corporation, subject to the requested addition above.

AW

7.3 Environmental & Sustainability Commitment and Annual Plan 2025/26

A. Woodford presented the policy document for approval and updated the Committee on the work of the internal working group, including plans for ongoing student engagement via the college's student ambassadors. He confirmed the annual plan, which had been refreshed with updated targets, continued to reflect the UN's seventeen sustainability goals and detail its commitment to partnership working with local stakeholders.

The Committee acknowledged the update and asked how the impact of these actions would be evidenced. A. Woodford confirmed this was being worked on and would be added to next year's version of the document.

The Committee was aware of Colleges West Midlands' commitment to the 'green' agenda and, as the college was a member, asked if this should be reflected in the document. A. Woodford confirmed he would incorporate this into the finalised version.

AW

The Committee **approved** the Environment & Sustainability Commitment and annual plan, subject to the incorporation of the agreed addition above.

7.4 Policies approved by Committee Chair (verbal)

As Chair of the F&R Committee, A. Hanson advised he had approved the following updated policies, which had only minor changes proposed:

- Learner Support Fund Policy
- Value for Money Policy

8 By exception reports

8.1 There was nothing to report at this time for the following standing items:

- Fraud, bribery and money laundering (8.1)
- 8.4 - IT and digital (8.2)
- Procurement waivers (8.3)
- Regulatory compliance (8.4)

8.5 Sector issues – financial benchmarking

J. Carman referred to the letter within the meeting papers, explaining updated financial benchmarks for the sector had been announced by the FE Commissioner. She advised, although challenging, they were not unreasonable targets for a financially sustainable college and therefore recommended their adoption as financial targets. This was echoed by A. Woodford, who added that the financial health score was not included within these benchmarks but would continue to be used as a key financial metric by both the college and the DfE.

The Committee acknowledged the updated financial benchmarks from the FEC and **supported** their incorporation into the college's financial targets.

9 Any other business

9.1 Colleges Financial Handbook – 2025 update

J. Carman informed the Committee an update of the DfE's Colleges Financial Handbook had been published earlier that day. The update incorporated a number of important changes, including the Accounting Officer's duty to advise the Corporation if proposed action is not in accordance with the Handbook, reflection of new procurement rules and inclusion of information from the now withdrawn Audit Code of Practice. She advised she would provide a more detailed update to the Committee at its next meeting.

JCa

There was no further business for discussion and the Chair closed the meeting at 7:50pm.

2025/26 meeting dates:

- 18 September 2025, 6:00pm
- 27 November 2025, 6:00pm
- 12 March 2026, 6:00pm
- 25 June 2026, 6:00pm

Actions from previous meeting(s):

Finance & Resources Committee – 25 June 2025			
Ref	Action	Owner	Timescale
1 (3.2)	Provide breakdown of debt information in future management accounts	AW	Sept-25
2 (3.4)	Check the status of previously reported SU debt	AW	Sept-25
3 (5.2)	Update the HCE business plan to reference Martyn's Law requirements	AW	Sept-25
4 (6.2)	Circulate details of planned community engagement event	JCa	Once confirmed
5 (7.1)	Forward feedback on the Disaster Recovery & Major Incidents Policy to AW	JCh	Jul-25
6 (7.2)	Add publication date to Estates Strategy and present to Corp for approval	AW	Jul-25
7 (7.3)	Add impact information and CWM reference to the Environment & Sustainability Statement	AW	Jul-25
8 (9.1)	Update the F&RC on the changes within the 2025 update of the Financial Handbook	JCa	Sept-25