Finance & Resources Committee

Thursday 27 November 2025, 6:00 – 8:00pm
Block 1 Boardroom (1.204)

Meeting papers link: 27 November 2025 (GovernorHub)

Committee members in attendance:
Jacquie Carman, CEO & Principal
Jo Chilton
Stuart Fisher (from Item 3)
Andrew Hanson (Committee Chair)

Officers in attendance:
Steph Morley, Director of Governance
Andrew Woodford, Vice Principal & CFO

APPROVED MINUTES

Item	Discussion	Action
1	**Welcome** The Chair opened the meeting and welcomed all in attendance. It was confirmed the meeting was quorate.	
2	**Procedural matters**	
2.1	Apologies There were no apologies as all committee members were in attendance.	
2.2	Declarations of interest There were no declarations of interest for this meeting or reported changes to governors' individual declarations of interest.	
2.3	Confidential item(s) There were no items to be held in Confidential session. Post-meeting note: it was agreed during the discussion that Item 5 would be held in confidential session.	
2.4	Minutes of last meeting and actions/matters arising The Committee **approved** the minutes of the meeting held on 18 September 2025 as a true record. All actions were confirmed as completed/closed.	
2.5	Approvals since last meeting There had been no approvals/decisions made since the last meeting.	
3	**Financial performance 2024/25**	
3.1	DRAFT College Annual report and financial statements (including review of performance against financial targets) A. Woodford presented the following documents that had been provided in advance to the Committee:	

- 2024/25 management accounts
- 2024/25 financial performance review and presentation
- Draft Halesowen College Annual report and financial statements 2024/25

He advised the draft annual report/financial statements would be reviewed by the Audit Committee on 04/12/25, followed by presented to the Corporation on 17/12/25 for approval. The Chair confirmed he was attending the Audit Committee item and would therefore be able to directly provide feedback from this meeting into the discussion.

The following was highlighted/discussed:
- The college ended the year in a good position, with £650k operational surplus (£418k after FRS correction, compared to £283k the previous year)
- The cash awaited from the change to an estate-based loan security had not been received by year-end (not essential for solvency reasons but affected cash flow position)
- With the exception of liquidity, all financial targets had been achieved and financial health was assessed as 'Good'
- Income and pay costs were as per the forecast, and non-pay costs had been favourable to budget

The Committee asked when the cash from the change of loan security arrangements would be received by the college. A. Woodford advised the final legalities were being worked out, therefore an imminent receipt was expected, and confirmed the delay did not cause any concerns regarding cash flow.

The Committee asked if a clean audit opinion had been received and if there were any recommended control improvements. A. Woodford confirmed the college had received a clean audit opinion, with only two historical items raised – the separate finance and asset systems, which would be resolved with the introduced of a new finance system, and loan documentation from approx. 20 years ago. He reported no control improvements had been identified by the auditors.

The Committee asked if the findings from the external audit work would be shared with all governors – it was confirmed the key issues for discussion document would be shared with the Audit Committee and then the full Corporation.

The Committee:
- **noted** the report and presentation on financial performance
- **noted** the annual report/accounts and recommended their presentation to the Audit Committee for review (followed by the Corporation for approval)

3.2 HCE Annual report and financial statements

A. Woodford presented HCE's annual report/financial statements for the last year and informed the Committee they had been approved by the HCE Board earlier that day.

The Committee **noted** HCE's Directors' annual report and financial statements for 2024/25.

3.3 Students' Union annual accounts 2024/25

J. Carman introduced the item by informing the Committee about the improvements being made to student engagement this year. This included the re-invigoration of the Students' Union, which would lead to more activity within in the accounts going forward.

A. Woodford referred to the accounts, highlighting that a small surplus had been made last year and the balances were now approx. £4k.

The Committee asked for confirmation that a previously reported outstanding subscription payment to the NUS had been resolved. A. Woodford advised this had been checked and confirmed the matter had been resolved.

The Committee asked if the Students' Union was a separate legal entity from the college. J. Carman confirmed it was a separate legal entity (an excepted charity) and had been declared as a related party transaction by the college.

The Committee **noted** the Students' Union's accounts for 2024/25.

3.4 Financial health review letter from DfE

A. Woodford referred to the letter and dashboard received from the DfE, which confirmed the college's financial health score as 'Good' for 2024/25 (and also 2025/26).

J. Carman informed the Committee the previously submitted paper regarding the impact of the current funding model was being updated for re-sending to the DfE. The cumulative financial loss to the college over the last seven years had been calculated to be c£7m. She advised there would be a further negative impact if the college was able to support previously disengaged communities in the local area given the numbers involved.

The Committee noted the financial health forecast of 'Outstanding' for 2026/27 and asked if 'Good' should be the goal for a public sector organisation. A. Woodford acknowledged the difficult balance of financial sustainability and investment in services, and advised given the current unknowns it was unlikely 'Outstanding' would be achieved. He agreed the higher end of 'Good' was more realistic and could be achieved by continuing to work on improving the EBITDA and increasing efficiency.

The Committee **noted** the letter confirming the college's financial health score from the DfE and the accompanying financial dashboard.

4 2025/26 financial year

4.1 College management accounts - Oct 2025

A. Woodford referred the Committee to the management accounts for October 2025 and the following was highlighted/discussed:

- Overall, the financial position was broadly in line with budget
- Apprenticeships income was current adverse to budget and was being closely monitored by the team; however, new starts had begun to increase
- Income from HE and FE tuition fees was currently significantly below target. This was being reviewed by the SLT
- The cash to be released from changing to an estate-based security had not yet been released to the college

The Committee acknowledged the impact of the delay in receiving the released funds described above not only on the college's finances but also the distraction it caused.

The Committee asked for further information about the 14-16 funding as it was showed as being adverse to budget. A. Woodford explained this funding related to college 'taster sessions' for school students, rather than EHE provision, and was therefore from local schools and not the DfE.

The Committee acknowledged the improved position regarding the EBITDA (moving from 4%, to 5% and more recently to 6%) and asked if the college had a target percentage. J. Carman advised the accepted threshold was 8%; however, investment required to improve quality which meant the EBITDA was likely to be held at around 6% over the next few years.

A. Woodford presented the 2-year cash flow forecast now in use, which was based on the budget approved by the Corporation in July 2025 and updated to reflect the revised budget forecast to be discussed under Item 4.3. He explained the document was newly introduced and a work in progress, and was updated daily by the Finance team.

The Committee thanked A. Woodford for presenting the new cash flow forecast and asked if the LUF project had been included in the figures. A. Woodford confirmed the LUF project was not currently reflected as the full detail was not yet known but would be once this had been finalised. He advised all other approved/known capital improvements were included within the forecast.

The Committee **noted** the college's management accounts for the period ending 31/10/25 and **thanked** A. Woodford for the improved cash flow forecast information, which would now be provided as part of the accounts going forward.

4.2 HCE management accounts - Oct 2025

A. Woodford tabled a corrected version of the management accounts, which had been updated to reflect an identified (non-material) error. He reported the company had started the year well, with the income generated from the hire of the transferred football pitches making a significant contribution to income being ahead of budget.

The Committee asked why the college shop was currently running at a loss. A. Woodford explained the shop primarily sold uniform and the current loss was due to funds from the college discretionary support fund not yet being received by HCE.

The Committee noted there had been some feedback during the recent student engagement session regarding the cost of food. A. Woodford explained HCE was introducing a range of different products (and prices) in response to this to reflect student voice regarding affordability and variety.

The Committee **note** the management accounts (October 2025) for HCE.

4.3 Revised budget forecast 1

A. Woodford presented the revised budget forecast and reported the key risk to the revised forecast was linked to in-year growth, in particular the claw-back for T-Levels and the uncertainty surrounding the non-fully funded in-year growth, which had a continued significant impact on the college due to the year-on-year increases.

The Committee asked if the risks highlighted were sufficiently reflected in the college's risk register. J. Carman confirmed there was a risk related to the impact of funding rules within the register. The Committee discussed the unfairness of the current funding model and acknowledged this was a sector-wide risk that could only be mitigated and not removed.

The Committee asked if agency pay as a proportion of the overall pay cost had increased this year. A. Woodford reported the proportion was in-line with the previous year's figure and confirmed the use of agency staff was always last resort rather than the first solution. It was agreed the agency pay cost would be listed as a separate budget line for clarity. **AW**

The Committee thanked A. Woodford for presenting the report and **endorsed** the revised budget forecast 1 for 2025/26.

4.4 Costing the curriculum and resource deployment

A. Woodford presented the report, which was produced annually by the CIO and provided a summary of planned income/costs against the actual amounts for 2024/25 and year-to-date across the college's divisions. He informed the Committee contribution rates varied widely by division, reflecting differences in resource intensity across the college.

The Committee noted the overall improving picture, the 'outlier' divisions and the reasons for the contribution variance across the college, including technical support requirements and class sizes. J. Carman advised a SEND expert (and Ofsted inspector) had been engaged by the college to undertake a comprehensive review of its provision, including optimum class sizes and positive destinations for Foundation students.

The Committee **noted** the report.

4.5 Committee-allocated risks (dashboard)

A. Woodford presented the risk register dashboard and highlighted the risks allocated to the F&R Committee, many of which were on the agenda for discussion.

The Committee **noted** the updated risk position.

5 Estates, capital and IT update

5.1 LUF/Trinity Point update (CONFIDENTIAL)

A separate minute of this item was taken.

6 Policy and compliance

A. Woodford presented the following policy documents for approval/recommendation:

6.1 Data Protection Policy

The Committee noted the reference to the use of body-worn cameras by some staff and asked if students were made aware of this. A. Woodford confirmed staff members were required to inform students; however, he would make sure this requirement was re-emphasised.

The Committee asked if the 24-hour retention policy for CCTV footage was sufficient, particularly if required as evidence for investigations, and referred to the common standard of 28 days. A. Woodford agreed to make this change to the policy. **AW**

The Committee **recommended** the approval of the updated Data Protection Policy, subject to the agreed change.

6.2 Environmental & Sustainability Action Plan and annual review

The Committee **noted** the 2024/25 review and **approved** the updated Environment & Sustainability Action Plan.

6.3 Finance Strategy

The Committee requested the document be updated to reflect the need ensure the work to manage cash-in-hand days was informed by planned/potential capital investment, and also the inclusion of reference to governance reporting/approval. **AW**

The Committee **recommended** the approval of the updated Finance Strategy, subject to the requested amendments.

6.4 Health & Safety Policy
The Committee noted the updated policy was compliant with legislation but requested it be strengthened to reflect best practice. It was therefore agreed formal consideration of the policy would be deferred to the next meeting to enable these amendments to be made. **AW**

6.5 Sub-contracting Procedure
The Committee **approved** the updated Sub-contracting Procedure, subject to the inclusion of reference to required reporting via governance structures and the correction from ESFA to DfE. **AW**

6.6 DfE's FE Financial Handbook update and updated Financial Regs
The Committee **noted** the recent updates to DfE's FE Financial Handbook relating to severance payments and confidentiality clauses, and **approved** the required changes to the college's Financial Regulations.

6.7 Committee annual report 2024/25
The Committee **agreed** the inaugural annual report's presentation to the Corporation.

7 By exception reports
There was nothing further to report at this time for the following:
- Fraud, bribery and money laundering
- IT and digital
- Procurement waivers
- Regulatory compliance
- Sector issues/feedback

8 Any other business
There was no further business for discussion and the Chair closed the meeting at 8:00pm.

2025/26 meeting dates:
- ~~18 September 2025~~
- ~~27 November 2025~~
- 12 March 2026
- 25 June 2026

Actions from previous meeting:

Finance & Resources Committee – 27 November 2025			
Ref	**Action**	**Owner**	**Timescale**
1	4.3/RBF1: review presentation of agency pay costs	AW	Mar-26
2	5/Estates & capital update: present costed proposal to Corporation	AW	17/12/25
3	5/Estates & capital update: discuss proposals with key stakeholders	JCa/AW	17/12/25
4	6.1/Data protection policy: make amendment re CCTV retention period	AW	10/12/25
5	6.3/Financial strategy: make amendment re cash in hand and governance reporting/approval reference	AW	10/12/25
6	6.4/Health & Safety Policy: defer presentation for approval to the next meeting	AW	Mar-26
7	6.5/Subcontracting procedure: make amendment re reporting to Corporation and ESFA/DfE	AW	10/12/25
8	6/Policies: present recommended policies to Corporation	AW	17/12/25