

Part I Minutes of the Finance & Estates Committee held on Monday 19th May 2025 at 4.30pm in Conference Room 2, Broadway

Members Present: Ana Ferreira
Diana Martin
Paul Noon (Teams)
Jason Parker (Chair)
Sarah Wood

In attendance: Gill Darwood (Director of Corporate Governance) (DCG)
Steve Johnson (Executive Director Estates & Capital Projects) (EDECP)
Louise Jones (Chief Finance Officer) (CFO)

Committee administrative matters

1 **Confirmation of quorum**

1.1 The Director of Corporate Governance (DCG) confirmed that the meeting was quorate.

2 **Apologies for absence**

2.1 Apologies for absence had been received from Mpathisi Ncube and Deborah Ibojo.

3 **Declarations of interest**

3.1 There were no declarations of interest.

4 **Approve minutes of previous meeting held 10th March 2025**

4.1 The minutes of the meeting held on 10th March 2025 were accepted as a true record.

5 **Matters arising**

5.1 There were no matters arising.

6 **Election of Chair and Vice Chair for 2025/26**

6.1 **It was resolved** to appoint Jason Parker as Chair and Sarah Wood as Vice Chair for the 2025/26 academic year.

7 **Committee business plan for 2025/26**

7.1 The DCG presented the business plan for the Committee which provided an indication of business and reports which would be submitted to the meetings of the Committee scheduled for 2025/26. [The CFO requested that the 'Environmental and Sustainability Report' be renamed 'Sustainability Report'.](#)

7.2 The planned dates for committee meetings in 2025/26 were:

- Thursday 27 November 2025
- Tuesday 10 March 2026
- Tuesday 19 May 2026

7.3 **It was resolved** to recommend the business plan for the Finance and Estates Committee for 2025/26 to the Corporation for approval.

Finance matters

8 Curriculum efficiency data report from DfE

8.1 The CFO notified members that the Department for Education had published information allowing colleges to compare curriculum efficiency. The tool used the information supplied to the DfE in the finance record, based on the audited accounts. The information was based on the 2023/24 data. The tool allowed a selection of the most relevant colleges to benchmark against; the college had selected general further education colleges with financial health of requires improvement or better, turnover of £35-£80m and excluding colleges in London and the southeast. This had provided a benchmark population of 50 colleges.

8.2 The key points to note were:

- Generally, Dudley College learners generated higher levels of income with the exception of HE students (180 learners).
- The College employed 22% fewer teaching staff and 18% fewer non-teaching staff. For both groups of staff the college paid more per FTE for both categories of staff (14% and 15% respectively). These trends were the same as reported in the prior year.
- The College employed the same number of senior managers (8) and average salary was higher by 7%.
- Non-pay spend in teaching and other departments was lower than the benchmark.
- Slightly lower premises space (4%) than benchmark, although it cost 5% more to run, with electricity costs being 2% higher.
- Curriculum efficiency measures were mixed. The College performed less well in terms of staff utilisation and remitted hours, although this could be down to the recording methodology. Average class sizes were slightly bigger with less time in the classroom. Contribution by curriculum teams was 40% compared to the 35% benchmark.
- Ratios showed that the College performed reasonably well and exceeded the FE Commissioner benchmark. The College continued to have higher gearing than the benchmark colleges and as previously reported, this was an improving measure for the College. EBITDA was better than benchmark by 2%, and staff costs as a percentage of income were lower by 0.9%

8.3 In response to a question relating to levels of staff satisfaction and wellbeing, the CEP advised that staff feedback would be obtained during the year through a series of short surveys on specific topics. There was a good relationship between union representatives and senior leaders, and the CEP was developing employee voice activities through attendance at team meetings.

8.4 **It was resolved** to note the curriculum efficiency data report from the DfE.

9 DfE Financial health letter

9.1 The CFO presented the DfE financial health letter which reviewed the College's financial position following submission of the audited financial statements for 2023/24. The key points to note were:

- The DfE had confirmed the College’s own assessment of its financial health as Good for the last financial year.
- No significant financial controls concerns had been identified by the DfE, based on the auditor’s management letter and audit committee annual report.
- Governors were reminded that financial information could be viewed on the View Your Education Data (VYED) portal. A powerpoint containing screen shots of the information currently available based on the 2023/24 audited accounts was included and the key points to note were:
 - Financial health was good and predicted to remain in that category to 2026. The financial health measures (current ratio, EBITDA ratio, borrowing as a percentage of income) were all performing well.
 - There was consistency in the reporting of cash balances and cash days, with all returns showing a similar cash balance. Cash balances showed a slightly improving trend over the period of the report.
 - Analysis of income and expenditure did not highlight any exceptional trends.
 - Actual performance to 2024 across a range of balance sheet measures showed an improved performance, with a cautious approach forecast for the years of 2025 and 2026.

9.2 In response to a question from the Chair in relation to cash levels, the CFO advised that cashflow was cyclical and would remain well above 25 days therefore did not give rise to any concern.

9.3 **It was resolved** to note the DfE financial health letter.

10 **Management accounts to March 2025**

10.1 The CFO presented the management accounts for March 2025 which showed the position 8 months into the financial year, against the revised budget 2 approved by Corporation at the March meeting. The position eight months into the year was a surplus of £573k being £68k favourable to a budget of £505k. The key points to note were:

- Income was adverse to budget by £230k due to variations in catering income, commercial income (primarily TTPL) and other funding body grants.
- Pay Costs were £142k favourable to budget.
- Non pay costs were favourable to budget by £190k mainly due to lower spend on catering costs, examination costs, administration, operations and maintenance costs (which were in part due to timing of invoices and expenditure).
- The cash position continued to remain positive. The cash position of £5m at the end of March compared favourably to the forecast of £4.1m
- KPIs showed a positive position with most having a green indicator. There was one amber KPI which was debt service cover, but there were no concerns anticipated by year end. There was one red KPI which was debtor days, caused by £712k of invoices being raised in March due in April, with no underlying concerns.
- 19+ WMCA discretionary hardship fund showed a year to date spend of £520k against an annual budget of £520k which included committed spend. Actual expenditure to the end of March was £287k.

- 10.2 The CFO responded to questions from members on points of detail. She advised that all current advertised vacancies were included in the pay budget and so unfilled vacancies resulted in a variance in pay. There was likely to be an increase in posts to support the higher number of students in 2025/26 but expenditure would be maintained within the financial KPIs for pay costs.
- 10.3 The CFO provided an explanation of the tolerances between red, amber and green ratings on performance, noting that income against budget would be rated as green if within 2% of budget.
- 10.4 **It was resolved** to recommend the management accounts to March 2025 to the Corporation for approval.

11 **Enrolment dashboard review**

- 11.1 The CEP provided a live presentation of the dashboard in relation to learner numbers by key client groups. This noted that:
- *16-18 learners* – increased on previous year. It was noted that demographics indicated a continued rise in the 16-18 population for the next two years, followed by a decline.
 - *A level learners* – up 5% on last year.
 - *Adult learners* – recruitment would continue up to the end of the year so would continue to increase. WMCA had indicated their view that the College would overperform against its allocation and so had requested an additional funding return.
 - *Higher Skills* – the reporting of learner numbers was being reviewed with an aim to better reflect this cohort as currently only traditional programmes were included in the data at present, with much of the provision being counted under other key client groups such as adult.
 - *High Needs* – this was a static number based on the allocation by the local authority, but an additional 65 places would be funded from September 2025. More resource would be needed to support this growing cohort, which would bring additional funding.
- 11.2 The CEP provided a brief update on current applications for 2025/26, which showed that applications were looking strong with acceptances for 16-18 learners increased and the need to introduce waiting lists in some high demand areas, such as in electrical, and early enrolment activities in June to secure numbers and free up spaces for waiting list applicants. In addition she noted that there had been 801 T Level acceptances to date, which would be a larger cohort than the A level intake for the year.
- 11.3 **It was resolved** to note the update on learner numbers.

12 **Students Union Annual Report and Accounts**

- 12.1 The CFO presented the student union accounts for the financial year 2024 which had been reviewed by the auditors Lewis Smith & Co. The key points to note were:
- Income had increased by £45k to £99,265.

- Social activity money was enhanced by successful funding bids to the Duke of Edinburgh award, this supported the most economically deprived students to participate without financial barrier. Funding bids for sports activity were also successful, notably football as there were ever increasing numbers and the Union was now hosting a cross college FA league team, pan disability team and ESOL team.
- The increase also included the additional staffing costs paid by the college as below.
 - Staff costs totalled £74.3k compared to £36.3k in the prior year. This was due to the transfer of costs from College to Student Union cost centre for an existing member of staff.
 - The cost of social activities had increased from £8.3k to £11.8k.
 - The overall operating position for the year had improved by £4,220 to a surplus of £2,155 from a deficit position in the prior year.
 - On the balance sheet, cash remained healthy at £19.5k, an improvement on prior year.
 - Reserves had increased to £14,521. The balance sheet included £13.6k income received across a number of grants that were expected to be spent from 2024/25.

12.2 **It was resolved** to note the Students' Union Annual Report and Accounts to July 2024.

Estates and Capital Projects matters

13 **Commercially sensitive - Estates and capital projects update**

This matter is the subject of a separate and confidential minute.

14 **Sustainability Report**

14.1 The CFO presented the report which provided an update on sustainability activities at the college since March 2025, structured around the four key pillars of the sustainability strategy: Leadership and Governance, Teaching, Learning and Innovation, Estates and Operations, and Partnerships and Engagement. Key initiatives included updating the sustainability policy, integrating sustainability into teaching and learning through a mixture of tutorial work and participation in national initiatives, improving operational efficiency, and fostering community and stakeholder engagement

14.2 The EDECP answered members' questions in relation to points of detail within the report in relation to improved efficiency and food waste disposal arrangements to meet new requirements.

14.3 **It was resolved** to note the sustainability report.

Risk and compliance matters

15 **Risk register review**

15.1 The CFO presented the risk register review in relation to the six risks which required scrutiny by the Finance and Estates Committee, across the strategic plan categories of people, place and sustainability.

- 15.2 The risk register showed that good progress was being taken to mitigate the risks identified. There were two risks with a higher net risk score of 8 or 9 (highest possible risk score is 16), which were:
- The work on shortage of technical staff and resources. Although a small number of technical curriculum areas continued to find recruitment of good staff a challenge, the College had been innovative in its approach resulting in just one area (electrical installation) where student recruitment in 2025/26 would be impacted. The review of the estates strategy with the Corporation in May had ensured the College was able to target future investment in the necessary technical space and longer term investment plans would be presented to Corporation in July for approval.
 - The engagement with employers in target growth areas, particularly in delivery of the IoT business plan was going well. Most of the actions to reduce this risk were complete however the going concern of TTPL continued to be an issue, particularly in light of the recent government announcement (and subsequent redaction) of the intention to withdraw the IoT model. An options analysis would be presented to the TTPL board and to Corporation for review in July.
- 15.3 Good progress was being made on the other risks, with no concerns to highlight to the committee at this point.
- 15.4 **It was resolved** to note the updated risk register.
- 16 **Learner Financial Support Policy**
- 16.1 The CFO presented the revised policy which set out eligibility criteria and entitlements which the College offered to students from the Learner Support Funds allocated by the DfE and Student Finance England.
- 16.2 Changes to the policy were highlighted in yellow. The policy outlined financial support that could be awarded to eligible students in 2025/06 academic year from the following funds:
- 16 to 19 Bursary Fund
 - Free Meals in Further Education Funding
 - 19+ Discretionary Learner Support Fund.
 - Advanced Learner Loan Bursary.
- 16.3 Income thresholds to qualify for support had been reduced to ensure that more families would benefit from support. There was also a limit on child care to ensure that the maximum number of families could access this support.
- 16.4 Under the funding body guidelines, the College was able to make a 5% administration charge to cover the costs of administering the scheme.
- 16.5 **It was resolved** to recommend the Learner Financial Support Policy 2025/26 to the Corporation for approval.

17 Supply Chain Fees and Charges Policy 2025-26

17.1 The CFO advised that the policy outlined the framework for managing supply chain activities (sub-contracting) funded by the Department for Education (DfE) and the West Midlands Combined Authority (WMCA) and guided by standards set by the Office for Students (OfS) and Ofsted.

17.2 The key updates were noted as:

- Integration of the Supply Chain Contingency Procedure within the policy document.
- Replacement of references to the ESFA with the DfE.
- Inclusion of the requirement for apprenticeship providers to be listed on the Apprenticeship Provider and Assessment Register (APAR), unless they were exempt under the £100,000 de minimis threshold.
- Revisions to departmental responsibilities as detailed in Appendix I.
- General improvements to formatting and language for greater clarity and ease of use.

17.3 Members noted the planned activity in this area would be very small due to the strategic reduction in sub-contracting by the College, however the College was required to publish the policy on the website once approved.

17.4 **It was resolved** to recommend the Supply Chain – Fees and Charges Policy 2025/26 to the Corporation for approval.

18 Financial regulations annual review

18.1 The CFO presented the annual review of Financial Regulations which ensured that the new Procurement Policy was reflected within the document. The key changes were:

- Updated procurement thresholds in line with the new policy.
- Updated authority levels for waiver sign offs where the necessary procurement requirements could not be met.
- Updated authority levels for budget virements – increased authority for virements within the same cost centre.
- Replaced references to ESFA with DfE.
- Replaced references to ACOP with the new audit framework and/or the college financial handbook.
- Updated job titles as required.
- Updated petty cash limit.
- The glossary had been updated to include only relevant acronyms.

18.2 **It was resolved** to recommend the updated financial regulations to the Corporation for approval.

19 Any Other Business

19.1 The CFO and DCG were requested to present a summary of the Weston College FE Commissioner report to relevant committees of the Corporation (Audit Committee and Remuneration Committee) to ensure that members understood

the governance failings in this case, and were assured that the College's existing controls were robust and effective.

19.2 P Noon highlighted the recent Supreme Court ruling in relation to single sex spaces and the CEP advised that guidance from AoC was expected with an update provided to Corporation in due course to identify any required actions.

19.3 There were no items of other business.

20 **Date of next meeting**

20.1 Thursday 27th November at 4.30pm.

Ana Ferreira left the meeting.

The part 2 agenda is the subject of a separate confidential minute.

The meeting closed at 17.50 hours

Approved by committee members at the meeting held 27th November 2025.