

Part I Minutes of the Finance & Estates Committee held on Thursday 27<sup>th</sup> November 2025  
at 4.30pm in Conference Room 2, Broadway

Members Present: Kaynat Ahmad  
Mireille Digard  
Diana Martin  
Mphathisi Ncube  
Paul Noon

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 Sarah Wood (committee vice chair) and Jason Parker (committee chair).

2.2 In the absence of the chair and vice chair, P Noon chaired the meeting.

3 **Declarations of interest**

3.1 There were no declarations of interest.

4 **Approve minutes of previous meeting held 19<sup>th</sup> May 2025**

4.1 The minutes of the meeting held on 19<sup>th</sup> May 2025 were accepted as a true record.

5 **Matters arising**

5.1 There were no matters arising.

### Finance matters

6 **Enrolment dashboard update**

6.1 The Committee received a live presentation from the Chief Executive Principal (CEP) on the enrolment dashboard, which provided an overview of learner numbers by key client groups. The following points were noted:

6.2 – *16-18 Learners* – Numbers were up compared to the same point last year, with increases in high-demand course areas. The main challenge remained retention for the remainder of the year.

6.3 – *A Level Learners* – A slight decline was observed, potentially due to increased uptake of T Levels. Overall, 16–18 enrolments remained higher than last year.

6.4 – *Adult Learners* – Numbers were tracking slightly above last year, which had seen overperformance.

6.5 – *Apprenticeships* – Current numbers were reduced due to a decision to delay start dates, which had been pushed back to October. Approximately 200 learner enrolments were awaiting contract signatures, which was typically a

complex and lengthy process. It was anticipated that overall numbers would align with targets for the year.

- 6.6 In response to a query from M Ncube regarding higher-level apprenticeships, it was noted that the College's main provision was at intermediate level, and changes to higher-level programmes would not significantly impact delivery. The CEP noted that this position reflected a national trend of fewer apprenticeship vacancies.
- 6.7 The CEP confirmed plans to adjust dashboard reporting to reflect changes in the mix of delivery.
- 6.8 P Noon suggested potential opportunities through the Combined Authority to deliver AI-related programmes.
- 6.9 – *Higher Skills* – Numbers were slightly up overall, though fewer learners were following traditional modes of study. Numbers remained broadly in line with previous years.
- 6.10 – *High Needs* – Growth continued, with enrolments fully funded for 240 learners. Confirmation had been received that this increase would also be funded in the following year.
- 6.11 The CEP advised that the overall financial impact of current enrolment trends was positive, with particular attention on ensuring timely apprenticeship starts. In response to a question from P Noon regarding contribution, the Chief Financial Officer (CFO) explained that contribution varied by income stream and was assessed by curriculum area to ensure overall viability.
- 6.12 **It was resolved** to note the enrolment update.

## 7 **DfE Financial Health confirmation letter**

- 7.1 The CFO presented the letter from the Department for Education (DfE), which confirmed that, based on their review of the College Financial Forecasting Return (CFFR), their assessment of the College's financial health was *Good* for 2024/25 and *Good* for 2025/26, in line with the College's own assessment.
- 7.2 The letter also reminded members of the availability of financial information on the DfE dashboard 'View Your Education Data'. A copy of the data available for governors on the dashboard was provided for ease of use. The presentation showed actual data for 2021/22 to 2023/24 (Finance Record) and forecast data for 2025/26 and 2026/27 (CFFRFP). The College would return the finance record for 2024/25 in December, and the dashboard would then be updated in the new year.
- 7.3 Members noted that, while the information was based on the forecast year-end for 2025, the report showing actual performance later on the agenda indicated a more positive position. This trend was illustrated on slide four of the report, which showed that actual performance consistently outperformed forecast. The College had taken a prudent approach in its year-end forecast, including in the CFFR, and the chart demonstrated that actual performance exceeded forecast. In the CFFR

submitted in July, the College had forecast a financial health score of 210 but had actually achieved 230.

- 7.4 The forecasting chart provided an indication of the accuracy of forecasting and showed that forecasts consistently underestimated actual performance. This was an area of attention, although it was acknowledged that a prudent approach had been undertaken and was preferred to overestimating performance.
- 7.5 It was likely that the College would move into *Outstanding* financial health by July 2026. Members considered the implications of this, which placed some pressure on the organisation to spend funds. The CFO noted that the aim was to generate sufficient cash reserves to purchase the CAT Centre and that, as a result, the College would need to accept that for a number of years this may reflect in a higher financial health grade.
- 7.6 The CEP emphasised the need to be transparent with the financial strategy so that staff understood the position. P Noon highlighted the need for consideration by the Corporation of reserves and sustainability so that these strategies could be agreed upon. Conversations around the development of the strategic plan would support this.
- 7.7 **It was resolved** to note the DFE's assessment of financial health and the associated financial information.
- 8 **Year end position incorporating Annual Report and Financial Statements 2024/25 and reconciliation of July 2025 management accounts and year-end accounts 2024/25**
- 8.1 The CFO advised that Bishop Fleming were concluding their audit work and had confirmed that they had not identified any significant risks requiring further audit work. Two low-level recommendations were made as a result of the audit, which management had accepted. One item from the prior year audit recommendations remained unresolved, relating to a VAT creditor at year-end, however, this had since been written off in 2026.
- 8.2 The year-end position showed a positive outturn compared to forecast. Income was higher than budget by £395k, mainly due to additional DfE 16–19 funding and additional delivery through high needs element 3 and apprenticeships. Pay costs were slightly higher than budget by £160k (0.5%) and non-pay costs were lower than budget by £826k (5.7%). Accounting for FRS102, EBITDA was £4.9m, which was £1,096k better than budget and £689k better than forecast, with EBITDA as a percentage of income at 9.2%. All KPIs had been met. Cash and cash days were better than expected (£7.04m and 52 days respectively). Loan covenants had been met with substantial headroom. The College's financial health excluding FRS102 calculated as *Good*.
- 8.3 A summary of the year-end position in management account format was provided. The first position excluded FRS102, while the second basis included FRS102 and therefore pension adjustments, which were used to prepare the financial statements.

8.4 Members noted that additional income had been generated through the adult skills fund. Pay was on budget, but there was some underspend on non-pay. Restricted cash of £2.2m related to a condition grant received in July. Finance leases reduced by £0.6m as they were not used to fund IT.

8.5 The reconciliation included in the pack to the year-end management accounts (period 12) showed an adjustment of £480k credit for FRS102, which was an overpayment to LGPS. A reduction in contributions was expected after the triennial valuation next year.

8.6 The CFO provided further clarification in relation to the treatment of pension funds, noting that the TPS was not recognised in the accounts as it was an unfunded scheme, unlike LGPS, which had moved from a liability position to an asset position driven by an increase in the discount rate, resulting in an increase of £10m in net assets.

8.7 **It was resolved** to recommend the financial statements audit report and accounts to the Corporation.

## 9 **Management accounts to October 2025**

9.1 The CFO presented the management accounts for October 2025. The accounts showed the position three months into the financial year against the original budget. The position reflected a surplus of £672k against a budget of £608k.

9.2 The key points noted were as follows:

- KPIs showed a positive position with most indicators green. There was one amber KPI, pay as a percentage of turnover, which was expected to be rectified when reporting against the revised budget commenced.
- Income was favourable to budget by £226k, mainly due to:
  - DfE 16–18 income favourable by £480k, due to an increase in funding rates
  - Apprenticeship income adverse by (£76k)
  - Devolved ASF adverse by (£59k)
  - Other funding body grants adverse by (£69k), due to forecasting of the Turing grant
  - Catering income adverse by (£46k), although a saving in catering non-pay costs had been achieved.
- Pay costs were £382k adverse to budget. Additional costs had been approved to reflect an increase in student numbers.
- Non-pay costs were favourable to budget by £145k, mainly due to:
  - VAT creditor write-off of £78k as advised in the audit report
  - Savings on utilities.
- The variances outlined above had been adjusted in the revised budget.
- Cash position of £8.6m at the end of October compared favourably to the budget by £2.0m. This was due to:
  - Variance on year-end bank position of £948k caused by additional income and savings on pay in 2024/25
  - Additional £531k 16–19 income due to new allocation announced after the budget was approved

- Saving on supplier payments of £482k mainly due to forecasting of costs (full supplier payments were expected over the year)
- Saving on college capital expenditure payments of £134k mainly due to forecasting of costs (full spend over the year was expected).

9.3 Financial health was currently *Good* and moving towards *Outstanding*, with all covenants fully met.

9.4 **It was resolved** to recommend the management accounts to October 2025 to the Corporation for approval.

## 10 **Revised budget 2025/26**

10.1 The CFO presented an updated budget, incorporating the financial changes since the budget was originally approved by Corporation in June.

10.2 The changes had resulted in a higher EBITDA and operating position, now being £4m and £0.95m respectively. The targets in the financial strategy were largely unaffected when compared to the original budget, and all KPIs remained in a positive position. There was no impact on the loan covenants or financial health measures, which continued to be assessed as *Good*.

10.3 The main changes within the revised budget related to additional 16–19 funding and higher costs resulting from increased student numbers.

10.4 The revised budget presented a cautious position at this early point in the year and the presentation provided the key changes from the revised budget at quarter one in the management accounts format.

10.5 Capital expenditure had been revised to £3.542m for 2025/26, funded by £1.425m grant funding and £2.117m College funding. The refurbishment of the Great Hall had been brought forward into this year and was fully grant funded. Some projects, such as car park lighting, were deferred with opportunities to obtain grant funding support.

10.6 **It was resolved** to recommend the revised budget and capital expenditure budget to the Corporation.

## 11 **Fees Policy 2026/27**

11.1 The CFO presented the Fees Policy which was revised annually to reflect changes in funding agency rules and fees. The purpose of the policy was to set out the framework for fees and charges for 2026/27, the process for payment of fees, the options available for payment, and the sanctions applied in the event of default.

11.2 The College remained committed to ensuring that its course fees were fair and represented value for money, and to providing clear information about fees, concessions, and payment methods. There were a number of significant changes in Government policy which impacted the fees policy, and in some cases, policy decisions were yet to be made. The policy included reference to:

- Lifelong Learning Entitlement, which would replace Advanced Learner Loans and Higher Education Loans. This change was expected to be effective from September 2026, although there might be some overlap or delay.
- Growth and Skills Levy, which was due to replace the Apprenticeship Levy in April 2026, although the exact rules had not yet been published.

- 11.3 In addition to the above, the following changes had been made:
- Reference to charges being advised at enrolment and included in course marketing materials to ensure compliance with consumer protection law.
  - Clarification on when additional charges for examination costs might be made.
  - An update in terminology, amending reference from ESFA to DfE.
- 11.4 An announcement on the cap for HE fees by DfE had been delayed, and the College proposed to retain HE fees at the same level as 2025/26.
- 11.5 In response to a question from M Ncube, it was confirmed that benchmarking of HE fees had not been undertaken this year. When undertaken last year, this had shown fee levels were very similar to other local FE colleges. The CEP noted that this was a relatively small income stream for the College. Other fees were set by Government, including many adult Level 4 and 5 courses funded through WMCA.
- 11.6 **It was resolved** to recommend the Fees Policy for 2026/27 to the Corporation.

## Estates and Capital Projects Matters

- 12 **Commercially sensitive - Estates and Capital Projects update**  
*This matter is the subject of a separate and confidential minute.*
- 13 **Sustainability Report**
- 13.1 The CFO presented the report which provided an update on sustainability activities since May 2025 and introduced the College's 2025/26 Climate Action Plan, setting out priorities for accelerating progress towards Net Zero and embedding sustainability across all areas of College life.
- 13.2 The plan remained structured around the four key pillars of the College's sustainability strategy: Leadership and Governance, Teaching, Learning and Innovation, Estates and Operations, and Partnerships and Engagement. It was designed to accelerate progress towards Net Zero and embed sustainability throughout the organisation.
- 13.3 Four key objectives had been identified for delivery this year, each aligned with the sustainability pillars:
- Through the Climate Action Plan, the aim was to influence the hearts and minds of staff and students to take greater action on climate change.
  - A Green Curriculum Flagship would be launched to showcase the commitment to incorporating green skills within the curriculum offer.
  - Continued implementation of the Carbon Reduction Plan with clear milestones and reporting on progress. [A report from the Carbon Trust would be brought to the next meeting.](#)

- Dudley College would deliver, demonstrate, and celebrate sustainability as a core value throughout the organisation.
- 13.4 While each objective was led by a specific pillar, all four pillars worked together to support every objective, ensuring an integrated and collaborative approach. The Climate Action Plan had been shared on the website, and objectives included measures of success.
- 13.5 M Ncube noted that following previous discussions on having SMART objectives, it was pleasing to see that this had been achieved and now represented a clear plan.
- 13.6 K Ahmad confirmed that students were working on a number of initiatives both in the College and also with AoC on other activities.
- 13.7 **It was resolved** to note the sustainability report.

### Governance, risk and compliance matters

- 14 **Committee’s Terms of Reference 2025/26**
- 14.1 The DCG presented the terms of reference for the Finance and Estates Committee which had been reviewed as highlighted in the tracked changes. The changes proposed were of a minor nature and related to:
- Change of reference from ESFA to DfE.
  - Inclusion of reference to the committee’s role in oversight of estates compliance and sustainable development.
- 14.2 **It was resolved** to recommend the Committee’s Terms of Reference to the Corporation.
- 15 **Committee’s Annual Report 2024/25**
- 15.1 The DCG presented the report which summarised the work undertaken by the Finance & Estates Committee in 2024/25.
- 15.2 Once approved by members the report would be placed in the document library of Convene for access by all Corporation members.
- 15.3 **It was resolved** to approve the Committee’s Annual Report 2024/25.
- 16 **College Financial Handbook update 2025**
- 16.1 The DCG presented the paper which reminded members of the key financial responsibilities set out in the DfE’s College Financial Handbook (CFH), including the Corporation’s duties to ensure financial sustainability, approve budgets and delegations, maintain reserves policies, and apply rigour and scrutiny to financial planning and monitoring.
- 16.2 The CFH had been updated with effect from 1 August 2025. A summary of changes was provided, and the following actions had been taken to ensure compliance:
- The Audit Committee reviewed the changes and a compliance tracker on 30 September.

- The Remuneration Committee reviewed changes relating to senior pay on 7 November, and the updated Senior Remuneration Policy was approved by Corporation on 11 November.
- All committee Terms of Reference had been updated accordingly.

16.3 **It was resolved** to note the changes to the College Financial Handbook 2025.

17 **Risk register review**

17.1 The CFO presented the risk register review in relation to the risks requiring scrutiny by the Finance and Estates Committee.

17.2 Members were reminded that at the November Corporation meeting, the new risk register for 2025/26 had been agreed, detailing 12 core risks underpinning delivery of the strategic plan. Three of these risks fell within the remit of the Finance and Estates Committee. All had a medium level of assurance, and the highest scoring risk related to the College's response to the climate emergency.

17.3 SLG members continued to review and update all risks regularly, and good progress was being made against those presented to this committee. Delays were noted in the following areas, which had already been brought to members' attention:

- Noise mitigation measures for the air source heat pumps had yet to be installed, although work was progressing.
- Contracts for the Dudley Higher Education and Skills Centre had paused while a resolution to the shortfall in fixtures and equipment budget was found. This posed primarily a reputational risk. It was noted that DMBC had now found a solution, and leases would be brought to Corporation for agreement in December.
- The College continued to press the agent working with Merry Hill to gain approval for the identified unit to enable refurbishment works prior to the Skills Shop relocation.

17.4 Most other actions were on track for completion, with a handful already marked as complete. Mitigating actions would continue to be implemented, and a review of risk scores would be undertaken in the new year, ready for an updated report to the next committee.

17.5 **It was resolved** to note the updated risk register and progress against mitigations.

18 **Health and Safety Policy Review**

18.1 At its meeting on 11 November, the Corporation requested that the Health and Safety Policy be referred back to the Finance and Estates Committee for a more detailed review of the proposed changes.

18.2 The EDECP noted that the policy had been reviewed and updated to reflect new job titles and roles and minor procedural changes. The following amendments were included:

- Change of gender of the Chief Executive and Principal.
- Reference to the Terrorism (Protection of Premises) Act 2025.

- Replacement of ESFA references with Department for Education.
- Removal of the Health and Safety Committee’s remit to monitor environmental issues.

18.3 The Committee was asked to confirm that these changes remained appropriate and compliant with current legislation and guidance and to provide assurance to the Corporation that the policy had been fully reviewed. No further amendments were proposed beyond those previously presented.

18.4 **It was resolved** to agree the changes to the Health and Safety Policy as already presented to Corporation.

19 **Any Other Business**

19.1 There were no matters of any other business.

20 **Date of next meeting**

20.1 10<sup>th</sup> March 2026

Staff and student members left the meeting.

*The part 2 meeting was the subject of separate confidential minutes.*

*Approved by committee members at the meeting held 10<sup>th</sup> March 2026*