

Minutes of the Finance & Estates Committee held on Tuesday 10th March 2026 at 4.30pm in Conference Room 1, Broadway

Members Present: Mireille Digard
Diana Martin
Mphathisi Ncube
Simka Rifai
Sarah Wood

In attendance: Lisa Cole (Head of Finance – Observer)
Gill Darwood (Director of Corporate Governance) (DCG)
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 Paul Noon and Jason Parker. In the absence of the Chair, Sarah Wood as Vice Chair chaired the meeting.

3 **Declarations of interest**

3.1 There were no declarations of interest

4 **Minutes of previous meeting held 27 November 2025**

4.1 The part 1 and part 2 minutes of the meeting held on 27th November 2025 were accepted as a true record.

5 **Matters arising**

5.1 There were no matters arising.

Finance matters

6 **Management accounts to January 2026**

6.1 The CFO presented the management accounts for January 2026 which showed the position six months into the financial year against the revised budget. The position showed a surplus of £838k against budget of £324k. The key points to note were as follows:

- KPIs showed a positive position with all having a green indicator.
- Income was adverse to budget by £319k mainly due to the following:
 - o Apprenticeship income adverse by (£315k);
 - o Other income variances account for the remaining difference. There were no concerns currently.
- Pay Costs were £431k favourable to budget. Savings had been achieved mainly due to costing vacancies at the same time employees leave. The delay between costed start date and actual start dates had resulted in savings.
- Non-pay costs were favourable to budget by £295k mainly due to the following:

- VAT creditor write off of £78k as advised in the audit report;
 - Forecasting of supplier payments was higher than actual payments. The timing of payments would be rectified by year end.
 - The variances outlined had been adjusted in the revised budget.
 - The cash position of £10.2m at the end of January compared favourably to the budget by £1.5m. This was due to:
 - Capital grant receipts unbudgeted within the RBI of £1.0m. All grant receipts assumed spent in year.
 - Savings on supplier payments of £0.5m mainly due to profiling forecast payments. Full supplier payments over the year were expected.
 - All three financial health measures (solvency, performance and borrowing) were on the cusp of moving into the next health score, it was therefore likely that a score of 240 would be reported at the next quarter which would mean a health grade of outstanding.
- 6.2 The CFO noted that at the College's request, RSM had conducted a review of cashflow forecasting and had identified four recommendations which were now being implemented.
- 6.3 The CFO updated members on DfE's developing approach to financial reporting following the ONS reclassification. While the sector had opposed moving to a 31 March year end, DfE had piloted new reporting methods with selected colleges and now proposed a compromise model. Colleges would be required to provide more frequent and more detailed spend data across the financial year, in addition to existing returns such as the Finance Record and CFFR. This was expected to include planned spend information, followed by actuals after 31 March, and may be subject to NAO audit testing. DfE was finalising the process and guidance would follow. The CFO noted that this was likely to increase the reporting burden on the College, with possible requirements for more granular nominal code analysis and more frequent submissions, which could require additional resource within the Finance team.
- 6.4 Members discussed the implications of the College's financial health score moving to Outstanding. The CEP emphasised that the intention was not to hold high levels of cash but to reinvest in enhancing the learner experience. As part of the new Strategic Plan, the College would need a clear investment strategy including building sufficient cash reserves to purchase the CAT Centre in the absence of any source of external funding. This would reflect in a temporary build-up of cash reserves. It would therefore be important to set a clear target reserve and establish an ongoing estate investment plan. Members highlighted the need to carefully articulate this strategy to staff. The CEP noted the importance of all stakeholders understanding that the College's success and market share relied on providing a high-quality student experience.
- 6.5 **It was resolved** to recommend the management account to January 2026 to the Corporation for approval.

7 **Pension revaluation**

- 7.1 The CFO presented the provisional results of the 2025 WMPF actuarial valuation, noting a significant improvement in the fund position and a resulting reduction in employer contribution rates from April 2026.
- 7.2 The CFO explained that higher discount rates had reduced long-term liabilities, a trend seen across the sector. Members asked whether staff contribution rates would change and were advised there was no indication of this, as the pension fund aimed for a fair and stable position in relation to employee contributions.
- 7.3 The CFO outlined the expected financial impact on the College, noting an estimated annual saving of £1.3m over the three-year valuation period, with most of this being temporary. The CFO highlighted the importance of managing this temporary benefit, and confirmed that the strategy would be to retain the temporary saving to build reserves and support future investment in the student experience. Members stressed the importance of clear communication to staff about the temporary nature of these savings.
- 7.4 The Committee also considered the existing property charge held by WMPF and the CFO explained the implications for the refinancing to DfE in 2027 noting that the deed of priority would need to be addressed as part of that wider process. It was therefore considered more prudent that the charge remained in place for now and that it was reviewed in 2027.
- 7.5 **It was resolved** to note the pension revaluation report.

8 **Revised budget for 2025/26**

- 8.1 The CFO presented the updated 2025/26 budget, reflecting material changes since the revised budget was approved in November. Overall performance had improved, with EBITDA now forecast at £4.06m and the operating position at £1.07m. Financial strategy targets remained broadly on track and all key indicators were continuing positively. There was no impact on loan covenants and the College's financial health rating remained Good.
- 8.2 The CFO outlined the principal budget movements, including:
- reduced apprenticeship income in line with current delivery and year-to-date performance
 - additional income and costs linked to the Taking Teaching Further grant
 - a favourable reduction in pay costs driven mainly by lower pension contributions
 - increased repairs and maintenance costs reflecting essential estate priorities
- 8.3 These movements resulted in a prudent and stable mid-year position.
- 8.4 The CFO also reported updates to the capital expenditure budget, including the £1.3m GB Energy pilot (fully funded by DfE) and the decision to bring forward £0.5m IT spend from the following financial year to mitigate expected summer price increases and supply-chain risks. Members noted increasing IT lead times and wider market pressures and supported the proactive approach. Members also queried whether unspent estates budgets would carry forward and were

advised this was not the case. Additional staffing capacity was being explored to ensure timely delivery of all projects.

8.5 **It was resolved** to recommend the revised budget to the Corporation for approval.

9 **Curriculum contribution analysis report on 2024/25**

9.1 The CFO presented the curriculum contribution analysis for 2024/25 which reported that curriculum areas contributed 52% to College overheads in 2024/25, broadly in line with the prior year (53%). The 2025/26 budget forecasted a contribution of 53%, and early indications suggested that curriculum teams were on track to meet this.

9.2 Members noted the variances between areas, including the impact of cross-College costs held within specific departments such as Educational Support Assistants and English and mathematics delivery.

9.3 The Committee reviewed the tables showing actual performance by Assistant Principal for 2024/25 and the revised budget for 2025/26, noting that a number of areas had exceeded their targets for the year.

9.4 **It was resolved** to note the curriculum contribution analysis report for 2024/25.

10 **Enrolment dashboard update**

10.1 The CEP presented the in-year update on enrolments at the current position in the year:

- *16–19* – Up 2% compared with the same point last year. A strong position, though creating some space pressures in specific areas.
- *A Levels* – Slight reduction, partly due to the introduction of T Levels. Work was underway to strengthen Dudley Sixth's market share and further develop its USP, including breadth of provision and innovative subject combinations linked to the introduction of AAQs and V Levels.
- *Adults* – Enrolments were increased on the previous year. Indications from WMCA were that funding rate increases would impact the volume of adults the College could support and that their priorities would continue to focus on Level 3 and above training.
- *Apprenticeships* – Enrolments were down on the previous year, reflecting a wider sector trend of lower employer demand. The College was exploring more employer-friendly delivery models such as evening provision and block release.
- *High Needs* – Growth in funded places, increased from 175 to 239.

10.2 Members noted that it was reassuring to see that the performance detailed on the dashboard reflected previous plans. The CEP also confirmed strong applications and acceptances for September 2026 enrolments.

10.3 Members concurred with the need to focus on the branding of Dudley Sixth to strengthen market appeal and highlighted the value of student engagement in this exercise.

10.4 **It was resolved** to note the enrolment dashboard update.

11 **Insurance annual report**

11.1 The CFO presented the Annual Insurance Report which showed the insurance cover in place over College assets and had been prepared to support the College's self-assessment of compliance with regularity and propriety requirements in terms of providing evidence that College assets were adequately safeguarded.

11.2 The College's insurance provision helped manage risks to the College by providing insurance cover for college assets, staff, students and visitors, as well as employer and public liability cover. Insurance cover was renewed annually but was reviewed throughout the year to assess its adequacy and ensure it appropriately reflected any changes to the operational activities of the College and its assets in-year. The CFO advised that claims for the previous year had been low, with two claims made.

11.3 The CFO further advised that within the premium was a business continuity exercise delivered by insurers, which had been completed with the senior leadership group and had been a valuable exercise. This would be further rolled out to college managers.

11.4 In response to a question from members, the CFO confirmed that oversight of cybersecurity arrangements was routed through the Audit Committee.

11.5 **It was resolved** to note the annual insurance report.

12 **Value for Money/public benefit statement**

12.1 The CFO advised that the Value for Money/Public Benefit Statement was one of the four primary regulatory objectives of the Office for Students and required providers to regularly publish clear information about arrangements for securing value for money including data about the sources of income and the way that its income was used.

12.2 The statement set out how the College ensured that value for money was prioritised and delivered and the format was unchanged to that used in the previous year, with updates to reflect the annual financial statements for 2025.

12.3 **It was resolved** to recommend the value for money/public benefit statement to the Corporation for approval.

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 and action plan**

- 14.1 The CFO presented an update on sustainability developments, noting that the most significant progress in the period was completion of the Carbon Trust's Net Zero Pathway Report and modelling tool. This provided a major step forward in enabling the College to plan, prioritise and cost decarbonisation measures across the estate. The Carbon Trust had also completed updated carbon emission reporting for inclusion in the 2024/25 financial statements.
- 14.2 The pathway model would support strategic decision-making by showing the emissions impact of investment options and helping to map the route to achieving the College's 2041 Net Zero target. A summary of the Carbon Trust's work was provided.
- 14.3 In response to a question from members on engagement with staff and students, the CFO outlined the four-pillar climate action plan covering leadership and governance, teaching and learning/innovation, estates and operations, and partnership and engagement, with ongoing activity to embed sustainability across communications and curriculum development. **Members suggested that a report or presentation on all four pillars would be helpful for the full Corporation.**
- 14.4 In discussion, a question was raised about whether the 2041 target was realistic. The CFO confirmed that this aligned with the Combined Authority target and that the modelling tool would help the College test the achievability of this timescale. M Digard advised that this target had been considered by Carbon Trust advisors as an ambitious but achievable target.
- 14.5 **It was resolved** to note the sustainability report.

Risk and compliance matters

15 **Risk register review**

- 15.1 The Committee received an extract of the College risk register relating to Finance and Estates matters. The CFO reported that the register had been reviewed in detail by SLG and by the Audit Committee. The report noted that:
- One change to net risk scores had resulted from the review, with the net risk score for capital projects increasing from 6 to 12 due to delays affecting several schemes, including the air source heat pumps, CAT works, the transport technologies relocation and refurbishment of the Great Hall.
 - Good progress had been made against other risks, with a number of actions now complete.
- 15.2 The CFO highlighted heightened concern around the College's capacity to deliver the capital programme, noting red flags on a number of projects and some delays in implementing health and safety recommendations.
- 15.3 Members highlighted the impact of delays on affordability, and it was noted that rising costs could reduce the scope of what could ultimately be delivered. Work continued with the Estates team to prioritise projects with the greatest impact on the student experience.

15.4 **It was resolved** to note the risk register review.

16 **Treasury Management Policy Review**

16.1 The CFO reported that a comprehensive review of cashflow management was underway. As discussed earlier, the College continued to generate higher cash levels than budgeted, and although variances had been analysed, more accurate forecasting was required. Recent staff turnover in the finance team had affected continuity and forecasting robustness. Internal auditors had completed a review of cashflow forecasting and provided partial assurance, with four management actions to be implemented before the summer. The Audit Committee had considered this report at its meeting on 3 March 2026.

16.2 The CFO presented the updated Treasury Management Policy, noting changes to reflect the higher cash balances expected over the coming years as the College built capacity for future investment in the estate and student experience. Key changes included:

- Investment in longer-term deposit facilities, in addition to the overnight sweep, subject to Corporation requirements.
- Updated criteria for investment decisions, including agency rating, liquidity needs, diversification, return optimisation and environmental considerations.
- A requirement for Corporation approval for any deposits with a maturity date greater than six months (previously one month).

16.3 In response to a question from members, the CFO confirmed that withdrawals of deposits did not require Corporation approval, but investment activity and changes would be fully reported through the management accounts.

16.4 **It was resolved** to recommend the Treasury Management Policy to the Corporation for approval.

17 **Procurement Policy Review**

17.1 The CFO presented the updated Procurement Policy, noting that it had been in place for 12 months and had now been reviewed. Key changes included:

- Reinforcement of the College’s sustainability approach and how this would be embedded, where appropriate, within procurement activity.
- Updated procurement thresholds in line with revised Public Contracts Regulations, including increasing the medium procurement ceiling from £20k to £30k and updating PCR values applicable from 1 January 2026.
- A requirement to store contract variations and termination letters within the central contracts register.
- A clarified definition of risk-profile classification.

17.2 Members discussed the practical implications of incorporating sustainability into procurement. In response to questions, the CFO confirmed that sustainability criteria would form part of tender scoring for larger exercises, while ensuring that SMEs were not disadvantaged. The College would aim to support local suppliers in developing their sustainability capability. L Cole noted that

sustainability considerations would be applied proportionately, with a focus on contracts with the greatest impact.

17.3 **It was resolved** to recommend the Procurement Policy to the Corporation for approval.

18 **Any Other Business**

18.1 There were no items of other business.

19 **Date of next meeting**

19.1 The next committee meeting will be held on Tuesday 19th May 2026 at 4.30pm.

The meeting closed at 17.45 hours.

Approved by committee members at the meeting held 19th May 2026