

**Minutes of the Meeting of the Corporation's Finance and Resources Committee
held on 1 July 2025 at 4.00pm by Virtual Attendance**

Committee Members	Appointed as	Chair/Vice	Apologies
Martyn Thomas	External Governor	Chair	
Neil Cunningham	Staff Governor		Until 6:19pm
Jim Harris	External Governor		Apologies
Danny Metters	Ex-officio		
Peter Phythian	External Governor		

In Attendance			
Sallyanne Pearson	Director of Governance		(DG)
Damien Blackburn	Director of IT and Learning Resources	Until 4:20pm	(DILR)
Beth Curtis	Vice Principal Riseholme and Business Development	Until 4:34pm	(VPRBD)
Kate Calvert	Chief People Officer	Until 4:58pm	(CPO)
Steve Kelly	Chief Financial Officer	Until closed discussion	(CFO)
Joanne McGowan	Head of Finance	Until closed discussion	(HoF)
Ashleigh Penny	HR Manager (Absent)		(HRM)
Helen Wooldrige	Vice Principal Growth Planning & Performance		(VPGPP)

(Minutes: 2425.4)

1 Welcome and Apologies for Absence

The Chair welcomed everyone to the Meeting. Apologies for absence were received, **with consent**, from Jim Harris. Ashleigh Penny was absent. The DILR and VPRBD were welcomed to the Meeting in readiness for presenting their items.

2 Declarations of Interest

(the Register of Interest: Corporation Members, Executive and Director of Governance was included in the Meeting Pack)

- (a) **Consider and declare, as required, amendments to the Register of Interest**
None raised
- (b) **Consider and declare conflicts of interest to items arising as part of the evening's business**
None raised

(Items were taken out of order)

4 Strategy Development and Approvals

4.1 ICT Strategy

(the ICT Strategy Implementation Plan was provided in the Meeting Pack)

The VPGPP reported that the draft ICT Strategy had been shared with the Committee for feedback prior to its inclusion in the Meeting Pack. Additionally, a Governor with ICT expertise was also sent a copy for input. All comments and feedback received are documented in the meeting record (Meeting Record 1). The DILR explained that the strategy outlines a five-year plan developed with input from various stakeholders across the College. It focuses on essential infrastructure and end-user devices, ensuring alignment with Cyber Essentials standards. The strategy includes a detailed schedule for equipment replacement and projected costs over the five-year period. Its purpose is to consolidate all relevant information into a single document, providing a clear and comprehensive overview of the required investment.

The CFO reported £100K was included in the 2025/26 Budget (ringfenced for the for the strategy) and an additional £100K would be funded from the Minor Works and Equipment and Condition Funding Budget (**Minor Works Budget**) (see support for ICT included in the Capital Expenditure Budget for 2025/26).

A Governor asked why £100k was explicitly included for ICT in the 2025/26 Capital Expenditure Budget and nothing further. The CFO explained that its five-year £500k Capital Budget was comprised: of £300k for the Minor Works Budget, £100k for sustainability and £100k for ICT (per year). Whilst acknowledged that £100k (ringfenced for ICT) would not meet all ICT requirements - monies were reallocated to ICT when additional funding streams became available. It was noted that £400k in Conditional Funding had now been received, meaning building works previously earmarked to the Minor Works Budget would be reallocated to the Conditional Funding Budget; releasing the additional £100k from Minor Works Budget to the ICT Strategy. The ICT Strategy is to be supported with £200k from the 2025/26 Capital Budget. **A Governor questioned whether the £200k allocation for 2025/26 was appropriate.** It was confirmed that £200k was essential and the minimum required to ensure compliance with Cyber Essentials. Discussion was undertaken around the current purchase / leasing approach/model adopted by the College to ensure cost effectiveness. The DILR added that £70k of leasing arrangements was accounted for through revenue, offsetting the £200k capital monies which is to be used to replace end user devices in 2025/26.

A Governor raised concerns about the financial implications of allocating £200k to the ICT Strategy, noting the £900k deficit, £7,000 as a consequence of breaching the banking covenants and no guarantee on student recruitment. A Governor questioned whether savings could be made from elsewhere to support the strategy. The CFO noted the points raised adding that expenditure from the Capital Budget was allocated on priority and compliance to the Cyber Essentials was a non-negotiable compliance requirement. The CFO reported that the College had also received an additional allocation of £1.2m which provided an opportunity for budgets to be reviewed to further support the ICT Strategy; adding that the College was now forecasting a surplus position in 2025/26. Operational steps taken to ensure efficiency and cost savings were also outlined to address the deficit position and the banking covenant, which the College was forecasted to breach, was now expected to be “suspended”.

A Governor requested clarity whether the £200k would be all be funded through capital or part funded through the £1.2m as operational expenditure. Discussion was undertaken and the CFO explained that a decision had been made to spend the £1.2m equally over a three-year period and would not fund the ICT Strategy.

The Committee **APPROVED** the ICT Strategy. ICT Strategy to be provided to Corporation for their information.

Damien Blackburn left the Meeting: 4:20pm

4.2 Commercial and Enterprise Strategy

(the Commercial and Enterprise Strategy was provided in the Meeting Pack)

The VPRBD presented the Commercial and Enterprise Strategy; the “commercial strand” focuses on existing commercial arrangements and the “enterprise strand” identifying future growth areas. The strategy was described as an umbrella document and detailed business plans are being developed. The VPRBD explained that specific figures had purposefully not been provided, whilst the 2025/26 and 2026/27 budgets were finalised, but assured the Committee of its ambition to grow. The CPO added that the Strategy was very much a working draft and further iterations were anticipated. Upon enquiry it was reported to be a two-year strategy. **A Governor acknowledged the lack of financial information; querying whether any integration had been made to the 2025/26 budget proposed.** The VPRBD explained that the enterprise elements would be included in the 2025/26 budget but were not currently adding that commercial growth for 2024/25 had already been achieved over and above targeted budget (£1.02m1 actual against £913k proposed budget) with performance expected in 2025/26. The VPRBD added however that growth was not equitable across all areas. **A Governor queried, for clarity, what % increase had been put into the 2025/26 budget for commercial activities.** The HoF explained that 5% growth had been included across all commercial areas (£100k) and works were ongoing with the VPRBD to develop the enterprise areas with a view of adding additional growth on top of that. **A Governor referred to the new enterprise areas; putting forward these would take time to establish and queried if this had been considered as part of those growth discussion for the 2025/26 budget.** The VPRBD explained that managers were preparing business plans which would include a detailed outline of initial investment to operationalise the proposal and a clear projection of an anticipated return on investment period. Estimated timelines are also to be provided.

The Committee noted support to the working draft but noted the lack of financial detail and integration into the 2025/26 budget or forecasting. It was **RESOLVED** that the strategy be **supported** but a further reiteration with financial detail needed to be provided. The HoF confirmed it would be included in the next draft and provided to the Committee.

ACTION: a further iteration of the Commercial and Enterprise Strategy, containing the required financial detail including growth, is to be provided to the next Meeting. Key Performance Indicators (KPIs) to be developed and included in the Corporation's KPIs for monitoring purposes.

4.3 People and Culture Strategy

(the Report on the outcomes from the People Strategy 2023 – 2025 and the development of the People Strategy 2025 – 2027 was provided in the Meeting Pack)

The CPO provided a summary of the achievements under the 2023–2025 People Strategy. KPIs showed significant improvements in staff satisfaction, along with positive trends across most other KPI areas. The CPO also outlined the development of the new People and Culture Strategy, which will align with the updated Mission, Vision, and Values, as well as the draft 2025–2028 Strategic Plan. The new strategy reflects feedback gathered through consultations with managers, staff, the Staff Council, and responses from the recent staff survey. The CPO confirmed that the People Strategy would be provided to the next Finance and Resources Committee Meeting.

The Committee commended the significant, positive, impact which the 2023/25 People Strategy and thanked the CPO for her works.

Beth Curtis left the Meeting at 4:34pm

9 Human Resources Report

(the Termly People Management Report was included in the Meeting Pack)

The CPO talked the Committee through the Report noting a 70% participation rate to the staff survey and a 12% increase in overall satisfaction (an increase of 14% at Bishop Burton and 7% at Riseholme).

The following areas were noted to have shown a 20% improvement: “The College embraces change”; “I feel appropriately rewarded”; “The College has a range of effective communication methods” and “I feel valued”. The Committee’s attention was also drawn to the strong areas of performance with 97% of staff responding that they “understand my role and the contribution I am making to the goals of the College” and that Safeguarding arrangements are effective at the College (Bishop Burton 97% / Riseholme 100%)

It was reported that the timescale for completion of the staff survey has been reduced to two weeks to ensure meaningful participation and quicker resolution / actions to areas of focus.

A summary overview of performance against KPI’s was provided, including:

- time taken to fill vacancies is averaging at 28 days, meeting the internal KPI of 45 days and the 30 days stretch target. This KPI has not, however, been met in all instances especially in areas such as animal, equine and agriculture. Reference was made to the Scarce Skills Policy, which has been utilised, as required;
- the number of vacancies has increased in June 2025 (over and above the same point in time the previous year) but remains in line with usual business trends/patterns;
- staff turnover remains in line with the same point in time the previous year - being slightly below the sector average at 17% but above the internal target of 15%. The main reasons cited for staff leaving included better career opportunities and higher remuneration. It was also noted that within the “some other reason” category, a recurring theme related to family responsibilities-specifically where the College was unable to accommodate requests for flexible working arrangements;
- training compliance was outlined and an update to mandatory compliance noted;
- sickness absence was outlined and is below the College’s KPI of 5.8% and sector average of 6.1%.

The Committee congratulated the HR Team; noting its thanks to the HR Manager for compiling the Report. Achievements were acknowledged and the importance of continuous improvement in staff satisfaction and turnover was noted . Upon enquiry, it was confirmed that the Staff Survey was issued on an annual basis at the end of August / start of September.

A Governor referred to the increased number of Employment Relation cases, comparatively, between 2023/24 and 2024/25. Clarity was requested. The CPO noted that the rise in flexible working requests was due to a more supportive and open approach by the College compared to previous years. The CPO also addressed the increase in grievance cases, emphasising that the College does not shy away from dealing with such matters: if staff members express dissatisfaction, the College takes appropriate steps to address their concerns.

The Committee **noted** Report.

11 Policies

(All policies except the Grievance Procedure were included in the Meeting Pack)

The CPO noted that a number of the policies had been reviewed in response to the Worker Protection Act (Amendment of Equality Act 2010) Act 2023 (**Worker Protection Act**) which had increased obligations on the employer.

- **Grievance Procedure (07.09): Carried Forward**
- **Staff Disciplinary Procedure (07.07): RECOMMENDED to CORPORATION for APPROVAL**
Changes have been made to align the policy with the ACAS Code of Practice and best practice. The procedure now includes more guidance for managers to address minor issues informally, has reduced the number of warnings from three to two and shortened the length of warnings.
- **Events Policy: **NEW Policy**: RECOMMENDED to CORPORATION for APPROVAL**
The new policy set expectations for staff behaviour during college-related events. Its purpose is to ensure that staff conduct at official events consistently meets the College's standards.
- **Staff Code of Conduct: RECOMMENDED to CORPORATION for APPROVAL**
The policy has been modernised and made more logical, with sections on bullying, harassment and sexual harassment added. Outdated sections have been removed.
- **Anti-Bullying and Anti-Harassment Policy: **NEW Policy**: RECOMMENDED to CORPORATION for APPROVAL**
The new policy seeks to address a gap in the Grievance Procedure and now reflects the requirements of the Worker Protection Act concerning harassment, including sexual harassment. The policy has been reviewed by an employment law solicitor to ensure it meets new requirements.
- **FE Tuition Fees Policy and HE Tuition Fees (updated as per HE Tuition Fees Proposal): RECOMMENDED to CORPORATION for APPROVAL**
The VPGPP provided a summary overview of the two policies. Amendments were noted to be straightforward with updates to job titles, academic years and funding guidance from the Department for Education (DfE). The VPGPP referred to the HE Tuition Fee Policy; noting the outdated international loan arrangements have been removed to ensure the policies align with current practices.

Kate Calvert left the Meeting: 4:58pm

The Principal highlighted the importance of the new Anti-Bullying and Anti-Harassment Policy and emphasised training across the College to raise awareness of these updates.

The DG explained that a training session was being provided to Governors at the Corporation Meeting which would cover both the *Worker Protection Act (Amendment of Equality Act 2010) Act 2023* and the *Office for Students (OfS) E6 Condition of Registration*. A two-pronged approach was outlined to ensure statutory and regulatory changes relating to Sexual Harassment and Misconduct were understood. This would include:

- an overview of the OfS E6 requirements, with its primary focus of students
- a review of the changes introduced by the Worker Protection Act, which are more staff-focused

The DG stressed the importance of embedding a consistent cultural approach across the College, in light of these requirements, ensuring its stance on sexual harassment and misconduct both staff and students are consistent. **A Governor referenced the internal Sexual Harassment and Misconduct training module, which had been shared with Governors and noted in the People Report.** The DG confirmed this module had been distributed to all staff and Governors and was designed to support understanding, more specifically, of the Worker Protection Act but added that it was important that Governors were also aware and understood their responsibilities under the OfS E6 requirements.

3 Minutes of the Meeting held on 18 March 2025 and Actions Arising

(all Minutes and the Action Plan were included in the Meeting Pack)

- Receive and approve Non-Confidential Minutes**
The Non-Confidential Minutes were **APPROVED** as a true and accurate record of the Meeting.
- Receive and approve Restricted Confidential Minutes (Restricted Confidential Agenda)**
The Restricted Confidential Minutes were taken as read and **APPROVED** as a true and accurate record of the Meeting.
- Receive and resolve the Action Summary and Matters Arising**

The DG confirmed that all actions were noted as complete. The Committee **RESOLVED** the Action Summary to be complete.

5 Financial Management Report & Management Accounts

(the Update on the Financial Recovery Strategy Actions, Monthly Financial Accounts to 31 May 2025 and Letter from the FE Commissioner - Financial Benchmarks, were included in the Meeting Pack)

5.1 Update on the Financial Recovery Strategy, Growth Strategy and Action Plans

The CFO updated the Committee on the Financial Recovery Action Plan, focusing on four major areas: Allocation, Growth, Commercial Activities, and Covenants.

Allocation: the College has received circa £1m in its allocation for 2025/26 strengthening the College's cash position, increasing scope of the 2025/26 budget and improving the overall financial position.

Growth: in-year growth funding has been included in the College Financial Forecasting Return (**CFFR**) for 2025/26 budget and reflected in the 2026/27 forecast.

Commercial Activities: taken at Minute 4.2.

Covenants: positive discussions with Santander regarding the breach of its £500k deficit was noted and a suspension of the covenant is being discussed; removing the risk of breaching the covenant.

A Governor referred to the banking covenant and queried whether the College would incur fees to deal with this, as required. The CFO explained that if the covenant was suspended the only fee which would be payable would be an administrative one as opposed to full legal costs.

The Committee **noted** the update.

5.2 Financial Management Accounts up to the end of May 2025 and Two Year Financial Forecast

The CFO talked the Committee through the Management Accounts, highlighting a forecasted deficit position of **£906,000**, with efforts ongoing to bring it down below £900,000 by the end of the 2024/25 period. The Committee was informed that the College had moved to “essential spend only” to “slow down” the spend and had also benefitted from some additional income. It was clarified that the College would not recover to the £500k deficit position forecasted but was confident it would reach a £900k deficit position.

Part of this item was taken as confidential

A Governor referred to farm income being £77k unfavourable to budget and requested an explanation of this in light of favourable markets. The HoF reported that the unfavourable position was owing to timing differences linked to the year end stock adjustments although arable sales have declined, comparatively, to the previous year. It was agreed that this would be reviewed and an update provided to Corporation.

ACTION: CFO/HoF to provide further clarity to the Corporation on the Farm being £77k unfavourable to budget

5.3 Further Education Commissioner - Change to Financial Benchmarks

The CFO provided a summary overview.

The Committee **NOTED** all reporting and is to **ADVISE** the Corporation as appropriate.

6 Forecasting/Budgets

6.1 2025/27 two-year Financial Forecast and 2025/26 Budget

The CFO talked the Committee through the 2025/27 two-year financial forecast and 2025/26 budget.

Reference was made to the 2024/25 year end forecasted deficit. The CFO clarified that the year-end position was actually forecasted at **£956** (*not £906k as detailed in Minute 5.2*).

Part of this item was taken as confidential

The CFO went on to report surplus forecasts of £659k for 2025/26 and £1.1m for 2026/27.

Contributing factors to achieve the surplus position for 2025/26 were outlined, including the impact of:

- reduced pension costs (additional £500k);
- an assumed additional £190k from student growth; and
- an increase in the funding formula for FE (equating to circa £1m).

The CFO explained that the Executive Team, upon receipt of the unexpected £1m allocation funding, had reviewed its financial planning and was proposing the following to Corporation:

- reducing the 2025/26 forecasted financial outturn for HE from £1m to £800k (£200k);

This part of the item was taken as confidential

- increasing the non-pay contingency budget by an additional £100k (an assumed 2% inflationary increase across all budgets); and
- allocating the remaining balance to a pay contingency budget (covering additional staffing costs dependent on growth) and an academic staff retention budget.

The CFO confirmed that all of the above would be reviewed in October 2025 once student recruitment was known.

Part of this item was taken as confidential

A Governor referred to the number of assumptions detailed in the budget/forecast provided for their review and requested a timescale on when these assumptions would be finalised. The CFO confirmed it would be reported to the Committee in October 2025 having revisited the figures in October 2025.

Reporting continued, key points noted included:

- the College has over-delivered on its FE Adult Allocation resulting in 10% additional funding;
- apprenticeships is forecasting an increase of £300k for 2025/26 to reflect its increased activity;
- growth is anticipated in 2025/26 which has also been reflected again in the 2026/27 forecast (circa £908k additional funding based on the current funding formula) included;
- the Financial Health of the College for the 2025/26 and 2026/27 is “Good” but it was noted that 2026/27 could be “outstanding” based on current projections;
- a significant decrease in project income to £60k; this is to be kept under review; and
- the potential financial growth in commercial activity during the 2025/26 which would impact positively on 2026/27 also.

The Committee **RECOMMENDED** the 2025/27 two-year Financial Forecast and 2025/26 Budget to the Corporation for its **APPROVAL**

6.2 Capital Expenditure Budget for 2025/26

The 2025/26 Capital Budget was proposed to the Committee, being £2,159m and the CFO outlined key works, including:

- explained that the ongoing decarbonisation projects have been largely funded through successful Salix bids. However, further Salix funding opportunities have been postponed until at least November, meaning the College cannot submit any new applications at this time. Despite this, decarbonisation efforts will continue, but will need to be delivered as smaller, phased projects funded through the Minor Works budget;
- the ringfenced £100k for ICT and the additional monies required to meet the ICT Strategy (noted at Minute 4) is to be funded and supported through the Minor Works Budget;
- investment in a new HR System is required as the current system is no longer supported by its provider; and
- the Centre for Plant and Soil Science at the Riseholme campus is to be funded through the successful UKFV Skills Capital Bid.

A Governor queried how much of the £2.159 million capital budget was funded through grants/successful bids. The CFO confirmed the Minor Works Budget of £500k was not funded nor was a small sum contained in the decarbonisation projects. It was confirmed that the £500k was the maximum the College could support.

The Committee **RECOMMENDED** the 2025/26 Capital Expenditure Budget to the Corporation for **APPROVAL**.

6.3 Accommodation Fees for 2026/27

The Chief Financial Officer (CFO) reported a standard 2% increase in accommodation fees for the 2026/27 academic year. The £1,000 food card allowance will remain unchanged, based on a recommendation from the College's Residential Team

The Committee **RECOMMENDED** the 2026/27 Accommodation Fee proposal to the Corporation for **APPROVAL**.

6.4 **ESFA Report on the College's Financial Statements 2023/24**

The CFO noted the correspondence received from the ESFA which supported the College's Financial Assessment of 'Good' for the 2023/24 financial year. The Committee's attention was drawn to the Financial Control paragraph which detailed the material uncertainty relating to going concern. The CFO confirmed that the College had kept the DfE apprised of actions taken to address this and had responded formally by 16 May 2025, as requested.

A Governor referred to the material uncertainty included in the 2023/24 financial statements and queried, in light of the proposed suspension to the bank loan covenant, whether this would need to be included in the 2024/25 financial statements also. The CFO confirmed that providing the bank loan covenant was suspended by 31 July 2025, there would be no breach of covenant and therefore the material uncertainty would not be included in the 2024/25 Financial Statements. Upon enquiry, the CFO confirmed that the banking covenant would be suspended for the 2024/25 financial year only.

The Committee **noted** the update and the correspondence is to be provided to the Corporation.

7 **Bank Loan Covenants**

(the Bank Loan Covenants Update, was included in the Meeting Pack)

The CFO provided an update on the terms and key covenants of the College's Loans with Lloyds and Santander Banks, including end dates. The CFO drew the Committee's attention to the five-year Santander loan (ending in 2027) which funded the student accommodation at Riseholme. The CFO emphasised, in light of reclassification, that the DfE would need to be notified six months in advance of the end date to ensure a smooth refinance with the DfE. It was confirmed that the College did not intend to repay the loan at the point of expiration and would seek DfE support to refinance. Reference was again made to the suspension of the bank loan covenant which was forecasted to breach during 2024/25.

The Committee **noted** the update.

8 **Estates Strategy**

(the Estates Strategy 2025-30 was included in the Meeting Pack)

The **Chief Financial Officer (CFO)** presented the updated Estates Strategy, highlighting the College's long-term investment in its estate and the ongoing need for further funding to maintain campus quality. Recent condition funding, received over the past 18 months, has supported improvements across all three campuses.

A full external survey is underway, with results expected in late autumn. These findings will inform future bids for condition funding. A revised Estates Strategy is expected to be presented at the December meeting.

The CFO also provided updates on capital projects, noting that while no current capital funding can be used for new builds, refurbishment of the old dairy will proceed over the summer to expand and improve construction teaching space in anticipation of increased student numbers.

Part of this item was taken as confidential

A Governor praised the comprehensive report and asked about any potential barriers to progressing projects if funding becomes available. The CFO responded that the College - particularly Bishop Burton - benefitted from its land-based campus, offering space, flexibility and autonomy. Planning processes are being proactively updated to ensure projects are "shovel-ready."

The Committee agreed to **RECOMMEND** the updated Estates Strategy to the Corporation for approval.

Neil Cunningham left the Meeting: 6:19pm

10 Governance

(the Appointment of Committee Chair Report and Link Governor Visits Report were included in the Meeting Pack)

Appointment of Committee Chair

The DG opened discussion on the appointment of the Committee Chair for the next year. Martyn Thomas indicated his willingness to continue as Chair and the Governance, Search and Remuneration Committee had supported this proposal. The Committee noted its support to Martyn Thomas being recommended to the Corporation for appointment of Committee Chair. The DG also noted the potential appointment of a new governor to the Committee with a finance and governance background to further strengthen the Committee.

Link Governor Visits

The Committee’s attention was drawn to the Link Governor Reports carried out by Jim Harris on marketing and commercial activities.

Steve Kelly, Helen Wooldridge and Joanne McGowen left the Meeting

Closing Discussion between the Principal and Committee Members

The discussion was taken as confidential

13 Date of Next Meeting

Dates to be circulated at the Corporation Meeting

There being no further business the Meeting closed at 6:38pm

Chair	_____
Name	_____
Date	_____