

**Minutes of the Meeting of the Corporation's Finance and Resources Committee
held on 18 March 2025 at 4.00pm by Virtual Attendance**

Committee Members	Appointed as	Chair/Vice	Apologies
Martyn Thomas	External Governor	Chair	
Neil Cunningham	Staff Governor		Absent
Jim Harris	External Governor		
Peter Phythian	External Governor		<i>Present until part way through 10.2</i>
Danny Metters	Ex-Officio		

In Attendance

Sallyanne Pearson	Director of Governance	(DG)
Kate Calvert	Chief People Officer	(CPO)
Steve Kelly	Chief Financial Officer	(CFO)
Joanne McGowan	Head of Finance	(HoF)
Ashleigh Penny	HR Manager	(HRM)
Helen Wooldridge	Vice Principal Growth Planning & Performance	(VPGPP)

(Minutes: 2425.3)

1 Welcome and Apologies for Absence

The Chair welcomed everyone to the Meeting. Apologies were received from Beth Curtis (Vice Principal Riseholme & Business Development (**VPRBD**)). The DG explained that the Marketing Strategy (due to be presented by the VPRBD) had been circulated in advance of the Meeting and comments requested. None had been received. Neil Cunningham was absent from the Meeting.

2 Declarations of Interest

(a) Consider and declare, as required, amendments to the Register of Interest

(the "Register of Interest: Corporation Members, Executive & Director of Governance" was included in the Agenda Pack)

An update on the Principal's declarations/conflicts of interest were noted:

- appointment to the East Riding Rural Partnership and the East Riding Rural Partnership Strategy Group **ceased** on 17 March 2025. Sharron Mansell has been appointed to continue the College's representation
- **new appointment** as a director and member of LANDEX from 5th March 2025.

(b) Consider and declare conflicts of interest to items arising as part of the evening's business

None raised

3 Minutes of the Previous Meeting

3.1 Non-Confidential and Confidential Minutes from the Meeting held on Tuesday 10 December 2024

(the Minutes and Summary Minutes of the Audit Committee Meeting held on Tuesday 10 December 2024 were provided in the Agenda Pack)

The Minutes were confirmed as a true and accurate record of the Meeting and were **APPROVED** by the Committee. Summary Minutes were acknowledged and received.

3.2 Action Summary and Matters Arising

(the "Action Summary for the Meeting held on 10 December 2025" was shared on screen in the Meeting and not included in the Agenda Pack)

The Corporation reviewed the Action Summary and its updates. Actions were **RESOLVED** and are detailed in Appendix 1 to these Minutes. Matters Arising were noted as follows:

Action Point (2425.1)6: The CFO explained that the Audit Committee had reviewed a revised version of the Financial Regulations which included amendments relating to the new Procurement Act and the proposed increase in the number of credit/purchasing cards. The revised draft did not however include

the increased quotes/tender thresholds. These changes will be incorporated and provided to the Audit Committee Meeting at its Meeting in June 2025.

ACTION: CFO to make sure the increased monetary thresholds, required before obtaining three quotes/tenders, are included in the draft revised Financial Regulations presented to the Audit Committee Meeting at its Meeting in June 2025

4 Strategies and Implementation Plans

4.1 Growth Strategy

(the "Growth Strategy Update Report" was provided in the Agenda Pack)

The VPGPP provided an update on the Growth Strategy; outlining actions implemented to date, their impact as well as the current position.

Key points noted, included:

Further Education: student attendance is comparatively lower than last year but retention is higher, meaning fewer withdrawals. Applications are slightly behind but offers and acceptances are higher. The VPGPP explained that the increased recruitment in 2024/25 will however boost internal progression which should make the College eligible for in-growth funding in 2025/26. The College's 8% "stretch" target for student recruitment (as set out in the Growth Strategy) is considered achievable. Student recruitment at Riseholme is 21% below target due to increased competition for vocational courses within the geographic area. Efforts are being made to address this and actions to improve student experience, engagement and enrichment are being consolidated into a Student Services Strategy which will be reviewed by the Curriculum and Quality Enhancement Committee.

Higher Education: achieving the "stretched" HE recruitment target (being 50 additional students) is now unlikely. Applications are however tracking in line with the previous year so similar levels of recruitment are anticipated but no growth.

A summary overview of works relating to curriculum planning and efficiencies, raising the profile of the College on social media and successes in securing capital funding for Riseholme College were also outlined.

Part of this item was taken as a Restricted Confidential item

The Committee reviewed the 2025/26 Forecast, noting the surplus position. The Committee asked whether any positive financial impact, arising from the Growth Strategy, was incorporated into that forecast. The CFO confirmed that it did not incorporate any impact or assumptions arising from the Growth Strategy. The forecasted surplus position was described as "conservative" (on that basis) and it was put forward that a more positive position could be presented to the Banks. The VPGPP explained that in-year growth thresholds had been modelled into the Growth Strategy and the College's recruitment target was 50 students higher than the requisite threshold. It was explained, therefore, that even if these recruitment targets were not met, the College might still secure in-year funding.

The Committee **noted** the update.

4.2 Marketing Strategy

(the "Marketing Strategy" was included in the Agenda Pack)

Reference was made to a query raised by a Governor in advance of the Meeting requesting clarification of the Marketing Budget. Correspondence is recorded as Tabled Item 1: *Pre-Meeting Question re Marketing Budget as part of the Meeting's record*. In the absence of the VPRBD, the Principal noted the restructuring of the Marketing Team and that student recruitment and social media campaigns were key priorities. **A Governor commented that the College was in a competitive marketplace and emphasised the importance of having clear measurable targets to ensure the impact of the strategy was monitored. Limitations and the insular nature of printed materials and social media were noted and the value of reaching wider audiences and utilising professional and governor networks emphasised.**

The Principal acknowledged the points and outlined ongoing works including renewing digital billboard advertisements and the importance of reposting LinkedIn posts to reach broader audiences. The Principal also referenced social responsibility initiatives which would involve college management working with external boards to enhance community impact.

The Committee agreed to monitor the implementation and impact of the Marketing Strategy.

4.3 Financial Improvement Plan

(the Financial Improvement Plan was included in the Agenda Pack)

The Chair referred Governors to the Management Accounts; noting the forecasted deficit position for 2024/25 was increasing. The CFO explained that a Financial Improvement Plan had been created to ensure long-term financial stability and not just address the current year's deficit. However, the College's financial health is expected to decline to "Requires Improvement" for 2024/25.

The CFO reported that a Financial Implementation Plan would be presented to Corporation for their approval, focusing on three areas: growth (both academic and commercial), operational efficiency and improving financial reporting and infrastructure. **A Governor asked if certain actions were being prioritised - noting that some would have a more immediate impact than others.** The CFO confirmed that most actions were already underway (except implementing a new finance accounting system) and the plan focused on immediate need as well as financial sustainability.

Part of this item was taken as a RESTRICTED CONFIDENTIAL item

ACTION: CFO to ensure that the Financial Plan - Implementation Plan is provided to the Corporation for their consideration.

5 HE Fees Proposal 2026-27

(the HE Fees Proposal was included in the Agenda Pack)

The VPGPP reported that a previous decision to reduce HE fees, to attract more students, had not had the desired impact and it was proposed that fees be increased in line with the rest of the sector to allow the College to benefit from an increased fee income even if student numbers did not grow.

Proposed fee increases are:

- raise full time Foundation Degree and Bachelors' Degree fees to £9,250 (from £8,950)
- raise specialist land-based full time HNC fees to £9,250 (from £7,750)
- raise general full time HNC fees to £7,750 (from £7, 500) and pro rata for part time
- raise International Student Fees in line with inflation to £13,175. The VPGPP noted International Student Fees were not included on the paper but requested it be considered.

Governors discussed the proposal. Governors reflected on the need to be competitive and capitalise on the College's land-based specialist courses. **One Governor requested clarity on the % increases.** Details were provided. **A Governor noted the 19% increase for HNC land-based courses; noting this was a significant uplift.** The Principal explained that HNC land-based courses provided the same teaching experience as foundation degree students but with additional flexibility, justifying the higher fee. Incentives linked to, inter alia, accommodation were also noted. **A Governor queried how this increase would be approached through the Marketing Strategy.** The Principal noted that the flexibility offered by the HNC programme would be a key selling point.

The Committee **RESOLVED** to **RECOMMEND** the fee increases to the Corporation for **APPROVAL**.

Finance and Resources

6 Financial Management Report & Management Accounts

(the Monthly Financial Accounts to 31 January 2025 were provided in the Agenda Pack)

6.1 Financial Management Report and Management Accounts

The CFO provided an update on the Financial Management Accounts up to the end of January 2025. The CFO summarised that the deficit position had increased by £289,000, primarily due to reduced project income and higher pay costs related to Additional Learning Services (ALS). The CFO added that in addition to the financial pressures of the ALS budget, pay, maternity and sickness were all exceeding budget. Non-pay pressures were summarised to include professional fees and insurance costs.

The CFO talked the Committee through the income and expenditure variances, highlighting potential opportunities to reduce the deficit, including further utilisation of the bursary transfer for transport and the £50 million allocation that had not yet been included in the forecast. It was clarified that any increase to non-minimum wage workers pay was not, at this point in time, incorporated into the forecast.

An update on the funding for the National Insurance increase was provided. A lump sum is anticipated in September 2025 and it is assumed that it will cover the full cost of the increase from April 2025 and into the following year. Reporting moved on to the 2025/26 forecast which is anticipating a £406k surplus. The CFO explained the College's FE Grant Allocation and the reduction in the College's contribution to the LPGS Pension Scheme were positively impacting this forecast. The 2025/26 forecast also incorporates £100k for national minimum wage increase, a 2% pay rise and a £75k increase in budget to ALS.

Part of this item was taken as a RESTRICTED CONFIDENTIAL ITEM

The CFO emphasised the positive outlook and added an even stronger forecast could be presented to the Banks.

The CFO concluded that the College retained a strong cash flow and balance sheet.

A Governor requested clarity on the inclusion of a 2% pay rise in the 2025/26 forecast and whether it was included in full. The CFO confirmed it was from April onwards based on 2% of the pay budget. The CFO added, however, that the pay budget was now overspent and that 2% of the actual pay budget for 2025/26 could be higher than included at present. **A Governor sought clarity on whether the cost of the National Insurance increase had been taken into consideration for the 2024/25 budget** The CFO confirmed it was but it was assumed that Government funding would continue to cover this. The CFO also noted the rag rated Commercial Contribution Dashboard. The CFO explained that further work and scrutiny would be undertaken especially on areas showing a negative contribution.

6.2 Verbal update on material points arising

The CFO noted that February Management Accounts were being completed and will be used to update forecasting to the Banks.

6.3 Verbal Update on ESFA CFFR

The CFO confirmed that the DfE had not requested another CFFR. The CFO explained this was possibly owing to the College's "Good" Financial Health rating for 2023/24 and progress made since November 2024.

7 Bank Loan Covenants

(the Bank Loan Covenants Update was included in the Agenda Pack)

The CFO outlined meetings undertaken with Santander and Lloyds Bank. Both Banks were positive about the presentation provided by the Principal and the VPGPP. Santander is forecasting a breach of covenant but remains supportive of the College. Lloyds Bank was also positive but their Relationship Manager is changing which might necessitate further discussion. The CFO emphasised that neither Bank had indicated that they would put undue pressure on the College or require loan repayment. **A Governor queried whether the College's External Auditors had been informed.** The CFO confirmed they had via the Audit Committee Meetings.

The Committee **noted** the update.

8 Changes to Beef Enterprise

(the Changes to the Beef Enterprise Report was included in the Agenda Pack)

The Principal provided a summary overview. The rationale was noted by the Committee. **A Governor noted the importance of students not losing the practical experience especially in respect of calving.** The Principal assured the Committee that the practical experience would be supported by neighbouring farms.

The Committee **NOTED** the paper and will provide an update to Corporation.

Estates

9 Estate Strategy Update

(the Estates Strategy Update was included in the Agenda Pack)

The CFO provided an update on the Estate Strategy, highlighting several key projects. The pig units have been demolished and the site secured. The dairy slurry tank has been demolished under budget. Martyn Thomas commented that he had observed the tidiness of the site whilst on a recent Link Governor visit. The Salix Project for the main building and the Princess Ann Centre are nearing completion. The Learning Resource Centre decarbonisation project is underway. The CFO reported that an additional Salix Decarbonisation Bid for works in the Meadows had been successful. Costs were outlined as follows:

Total Project Value: £ 1,121,332

Salix Grant Value: £ 986,772

College Contribution: £ 134,650

The CFO requested the Committee to consider the proposal, the £134,650 contribution required from the College and **RECOMMEND** the project and contribution to the Corporation for **APPROVAL**. The College's contribution will be from the minor Works Budget. The Committee **RESOLVED** to **RECOMMEND** the project and the College's contribution to the Corporation for **APPROVAL**.

The CFO reported that a DfE Site Survey which is utilised for funding bids was being undertaken in the near future.

The Committee **noted** the update.

Human Resources and Organisational Services

10 Human Resources

10.1 Human Resources: Termly report

(the HR Termly Report & People Strategy 2025 Pocket Guide were provided in the Agenda Pack)

The HRM presented the Termly Human Resources Report, covering key workforce trends. The number of vacancies remain consistent but are anticipated to rise towards the end of the academic year. The time taken to fill vacancies has slightly increased with academic roles taking the longest amount of time to fill. Turnover has decreased to 16.5% (down from 17%) but remains above its KPI. Completion of Exit Interviews is at 72%; career progression and "personal circumstances" are the key reasons for leaving. Training and Development of Staff remains within budget but will be spent by the end of the academic year. A number of Academic staff are attending a bespoke internal leadership programme. Manager compliance training is on track with 92% compliance. Sickness absence has increased, mainly due to long-term cases which had peaked at 27 cases since September 2024 but proactive management has reduced live cases to four. Appraisal compliance is at 90%, which is below target and efforts are underway to improve compliance and quality of the process. A revised process is being rolled out by the end of the academic year. The number of employee conduct cases has declined but grievances have increased.

An update on initiatives being put in place regarding the new duty to prevent sexual harassment in the workplace was provided; a new Policy has been developed and mandatory training is being rolled out. The College's mandatory training suite is also being updated. **A Governor queried the lower number of applicants for jobs based at the Lincoln campus compared to the East Riding campus and queried why that was.** The HRM attributed this, largely, to the sparse population over a large geographical area with a number of key competitor employees within the sector.

The Committee **noted** the report.

The VPCPO presented the People Strategy 2025 Pocket Guide. The VPCPO explained that a full Action Plan was in place but the Pocket Guide made the information more accessible. An overview was provided. Particular reference was made to Reward and Recognition of staff and a revised approach to the pay structure is being developed which will link student recruitment to pay. The importance of leadership and career development was highlighted and initiatives such as the "Leading the Vision Programme" and "back to the shop floor" were noted. Adaptations to performance management are proposed which will ensure the delegation and responsibility of objectives is clear. The Committee praised the Pocket Guide for its clarity and comprehensiveness and noted its commendation to HRM for its development.

The Committee **noted** the update.

The Chair asked for advice on discussing a Restricted Confidential item. The DG noted that no Staff Governors were present and suggested Executive Members advise if the HRM and FM should stay. The Executive confirmed both staff members were aware of the item. The Chair confirmed they would stay. The Restricted Item was discussed.

10.2 Restricted Confidential: Update on Sector Funding and Pay Award Proposal
(the Update on Sector Funding and Pay Award Proposal was included in the Agenda Pack)

This item was taken as a RESTRICTED CONFIDENTIAL item

Peter Phythian left the Meeting.

11 Governance
(an update on a Link Governor Visit was included in the Agenda Pack)

The DG provided an update on link governor reporting. Jim Harris and Martyn Thomas shared their experiences of recent visits, highlighting the value of these interactions.

12 Policies
None raised.

13 Any other Urgent Business
There was no urgent business raised or discussed.

There being no further business the Meeting closed at : 5:56pm

Chair _____

Name _____

Date _____

Appendix 1

Action Summary and Matters Arising: 18 March 2025
(from Meeting held on 10 December 2024)

Min Ref	Title	Action Point	Person/s Responsible	Action Taken
(2425.1)6	Procurement Report	<ul style="list-style-type: none"> CFO to provide an amended version of the College’s Financial Regulations to the Audit Committee which will incorporate changes required in readiness for the introduction of the Procurement Act as well as an uplift to the monetary threshold for quotes and tenders <p>Update from Meeting held on 10 December 2024 (Minute (2425.2)3.2):</p> <ul style="list-style-type: none"> “The CFO confirmed the Audit Committee had discussed the Procurement Act and the changes it would necessitate to the Financial Regulations alongside the changes to increase monetary thresholds requiring three quotes and tenders which would also be included. The CFO explained that the Audit Committee had also supported the exploration of increasing the number of credit cards/purchasing cards which, if approved, would also need to be reflected in the revised draft Financial Regulations. Proposals for the change in the quotes/tender and the number of credit/purchase cards is being put to the next Corporation Meeting”. 	CFO	Carried Forward