



**MEETING OF THE FINANCE AND RESOURCES COMMITTEE**  
**Wednesday 11 June 2025 at 6.00pm – Online Meeting**

**MINUTES**

<b>Present:</b>	Andrew Lowe (Chair) Caireen Mitchell (Principal & CEO) Ian Valvona Niral Patel Frederick Law Maria Glasscock
<b>In attendance:</b>	Ann-Christine Harland (VP Finance and Resources) Helen Langford (Director of HR) Martin Silverwood (Vice Principal Curriculum - Observer) Clare Mitchell (Outgoing Director of Governance)
<b>Clerk:</b>	Jacqueline Mutibwa, Director of Governance

<b>1.</b>	<b>APOLOGIES FOR ABSENCE</b>  There were no apologies for absence.
<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>  There were no declarations of interest.
<b>3.</b>	<b>MINUTES OF THE PREVIOUS MEETING - 26 FEBRUARY 2025</b>  The minutes of the meeting held on 26 February 2025 were approved as a correct record.
<b>4.</b>	<b>MATTERS ARISING FROM THE MINUTES</b>  The Committee noted the update on matters arising from the previous meeting. There was an update on the development of the new Estates Strategy (item 5). The development options and how the strategy fits within the Corporate Strategic Plan would be discussed at the next meeting in November 2025.  <b>Action: Estates Strategy to be included on the agenda of the November meeting.</b>
<b>5.</b>	<b>HUMAN RESOURCES UPDATE</b>  The Committee discussed the key matters since its last report in February 2025, and received updates on the following: <ul style="list-style-type: none"> <li>the progress to date on the five key themes of the 5 Year People Strategy. An 18-month delivery plan had been prepared and was on track to deliver the actions for the 2024/25 academic year.</li> </ul>

	<ul style="list-style-type: none"> <li>the change proposals being undertaken to align the staff structure with the Corporate Strategy, address under-utilisation and respond to the benchmarking findings. The proposals relate to the Heads of Schools, Safeguarding and Social Work and Counselling Access Programmes.</li> <li>the recruitment and retention which had improved with voluntary turnover at 12%, compared to the same period last year. Agency staffing remained low.</li> <li>the staff pay award of 2% for 2024/25 which had been implemented in March 2025. The proposal for a one off non-consolidated 0.7% payment was being considered for June 2025; this was due to the additional funding from the DfE.</li> </ul>
6.	<p><b>FINANCIAL MONITORING</b></p> <p><b>(i) Financial Monitoring and Forecast Report as at 30 April 2025</b></p> <p>The Committee discussed 2024/25 financial performance as at 30 April 2025 (period 9). The year to date position showed an operating surplus of £443K against a budget deficit of £285K, a positive variance of £727K. This was mainly due to savings in non-pay expenditure and offsetting reductions in income and overspends in pay. The key variances set out in the report were noted. The full year forecast showed that the budgeted year-end operating surplus position of £57K would be achieved but the key risks were the estates maintenance and the anticipated redundancy costs. The budget risks as at period 9 set out in the risk analysis were noted.</p> <p>The Committee challenged the year-end operating surplus of £57k, and that it seemed low and queried how it compared with other similar-sized London colleges. The Executive explained that a number of income and expenditure variances had affected the position and would be reviewed. The Committee was assured that financial performance continued to move in a positive direction despite income pressures arising from the lack of in-year DfE funding, the 2024/25 National Insurance grant increase, and the College's commitment to staff pay awards. Discussions with the DfE remained ongoing regarding potential clawback of T Level income and adjustments following the 2022/23 ILR audit.</p> <p>Performance on some KPIs needed to improve such as pay costs as % of income was 73.3% and still above the 70% key sector and operating cash inflows were still not adequate to cover the debt and interest repayment for 2024/25.</p> <p>Performance on financial contribution from curriculum areas was at 46% which is lower than sector 50% target. Areas of concern included HE and Access, Coulsdon Campus and Apprenticeships due to lower student recruitment.</p> <p>Bank and cashflow position was positive. The financial health scores showed the College status as Good to date and forecasting Good financial health for 2024/25 financial year.</p> <p>The Committee noted the College's current financial position as at 30 April 2025.</p> <p><b>(ii) ESFA Letter 2023/24 Financial Health Score</b></p>

	<p>The Committee noted the DfE letter concerning 2023/24 financial health and that the College had been graded as 'Requires Improvement'. The College was forecast to return to good financial health in 2024/25.</p>
<b>7.</b>	<p><b>2025/26 BUDGET AND FINANCIAL FORECASTS</b></p> <p><b>(i) 2025/26 Budget</b></p> <p>The Committee discussed the proposed 2025/26 budget to be recommended to the Board for approval at its meeting in July 2025.</p> <p>The Committee discussed the 2025/26 budget proposal which was modelled on delivering an improved surplus of £174K from an income of £37.6m compared to £57K in 2024/25. The recent DfE additional funding for 2025/26 (announced 20 June 2025) allocation had not been included in the proposed budget. The budget would need to be adjusted prior to the Board meeting in July 2025 and the priorities for this additional budget considered though it was unlikely to affect the 2025/26 budget surplus of £174K.</p> <p>The Committee discussed the key budget assumptions and also noted the key risks to delivering the 2025/26 proposed budget which were set out in the risk analysis. The risks mainly relate to income from the funding streams i.e. apprenticeship and adult education and the increase in pay and non-pay expenditure.</p> <p>The Committee agreed the key assumptions and that the 2025/26 proposed budget was recommended to the Board for approval at its meeting in July 2025.</p> <p><b>(ii) 2024/27 Financial Forecast</b></p> <p>The Committee discussed the College's proposed 3-year financial forecast as part of the College Financial Forecasting Return (CFFR), which would be submitted to the DfE by 31 July 2025.</p> <p>2026/27 proposed budget forecast showed further improvements of a £200K surplus from an income of £38.2m. The key assumptions for the 2026/27 budget forecast were noted.</p> <p>The CFFR model for the 3-year period and Commentary to accompany it was still being finalised and would be submitted to the Board at its meeting in July 2025. It was noted that DfE had recently published its revised financial benchmarking tool (June 2025).</p> <p>The Committee agreed the key assumptions in the Commentary and that the 2026/27 surplus of £200K is recommended to the Board for approval at its meeting in July 2025.</p>
<b>8.</b>	<p><b>KEY ISSUES – FINANCE AND ESTATES</b></p> <p>The Committee received an update on key financial and estates matters since February 2025.</p> <ul style="list-style-type: none"> <li>Curriculum change proposals were noted, with redundancy costs reforecast to increase by £50k, which had already exceeded budget by £17k.</li> </ul>

	<ul style="list-style-type: none"> <li>• An update was provided on the Government Spending Review (11 June 2025) and the additional 2025/26 DfE funding to FE colleges to align with school staff pay awards; the allocations were still awaited. The 2025/26 budget and 2026/27 forecast would be updated once confirmed.</li> <li>• Reductions in GLA adult funding and underperformance in other income streams were noted, though 2025/26 applications were 6% higher than the previous year.</li> <li>• Estates works were progressing well. Following a tender process, Fusion was reappointed as estates consultancy support. Committee Members had received a presentation on past and future estates activity, and the Estates Strategy 2025–2030 would be presented in November 2025.</li> <li>• The ongoing legal cases requiring DfE approval under the Managing Public Money framework were noted.</li> </ul>
<b>9.</b>	<p><b>HEALTH AND SAFETY UPDATE – SUMMER TERM 2025</b></p> <p>The Committee received the Health and Safety update for the summer term 2024/25. The Committee discussed the key matters since the last report in February 2025 and noted the ongoing work to improve safety and wellbeing across the college campuses.</p> <p>In relation to accidents and incidents reporting, there were no accidents that had been reported to the Health and Safety Executive (HSE) under the requirements of RIDDOR.</p> <p>The Committee also discussed concerns raised by students and local residents regarding safety outside the College, particularly in relation to gang-related activity, drug use, and harassment of women. The College was working closely with the Local Authority, Police, and other external agencies to address the concerns.</p>
<b>10.</b>	<p><b>RISK MANAGEMENT</b></p> <p><b>(i) Committee Risk Register – 2024/25 Summer Term</b></p> <p>The Committee reviewed the updated Risk Register, focusing on the risks within its remit. No new risks had been identified, and that risk scores remained unchanged since the last report in February 2025. The key significant risks discussed included income risks relating to adult funding streams, particularly in light of the reduction to adult funding for 2025/26 and the risk of human error and phishing attacks. The mitigation actions in place were noted. Cyber security risks and controls were also reviewed.</p> <p>The updated Risk Register was endorsed for submission to the Audit Committee and the full Board for review. It was noted that the Executive Director of Student Services had taken over the leadership of the Internal Security Committee from the Vice Principal Finance and Resources.</p> <p><b>(ii) Risk Deep Dive – Funding for Disadvantaged Students</b></p> <p>The Committee at its last meeting agreed that the next deep dive would review the funding of disadvantaged students i.e. how the funding is applied and whether it is sufficient to meet students' needs. The purpose of the review was to enable the</p>

	<p>Committee to gain more understanding of the funding arrangements, as this forms part of the College's strategy to support disadvantaged learners. The Committee discussed the funding mechanism, and that it is formula-driven and allocated within the 16-18 yrs main grant, and how the grant is applied to support disadvantaged students.</p>
<b>11.</b>	<p><b>POLICY UPDATES</b></p> <p><b>(i) 2025/26 Updated Tuition Fee Policy</b></p> <p>The Committee discussed the proposed key changes (highlighted in the tracked policy attached to the report). The key changes for 2025/26 included the change to Adults Level 3 funding i.e. Adult Skills Fund replaced by the Free Courses for Jobs and the impact on the College's capacity to deliver the courses which needed to be reflected in the updated policy. There were also changes to the HE provision i.e. the pause on recruitment to some courses which did not need to be included in the policy. The proposed increase in HE fees for 2026/27 remained subject to Office for Students (OfS) approval of the Access Agreement, which was still awaited.</p> <p>The Committee recommended the proposed changes and the updated Tuition Fees Policy for 2025/26 to the Board for approval, subject to potential change in HE fees. A further update on the outcome of the Access Agreement would be provided to the Board at its meeting in July 2025.</p> <p><b>(ii) 2025/26 Updated Reserves Policy</b></p> <p>The Reserves Policy had been updated to incorporate the 2023/24 balance sheet net assets figure as the basis for determining the minimum cash levels to be maintained and the figure was <b>clarified (£7m or 7.5m)</b>. The Committee discussed the updated policy and noted that the treasury strategy (part of the financial regulations) and capital repayment were performing well. The updated policy would guide the Committee when assessing the affordability of proposed new projects and the financial sustainability of the College.</p> <p>The Committee reviewed the updated 2025/26 Reserves Policy and recommended it to the Board for approval.</p>
<b>12.</b>	<p><b>ANNUAL REVIEW OF COMMITTEE TERMS OF REFERENCE</b></p> <p>The Committee terms of reference (TOR) are reviewed annually. The Committee reviewed and approved the proposed amendments to its TOR to reflect changes in terminology e.g., the replacement of the Post-16 Audit Code of Practice with the Framework for Auditors and Reporting Accountants of Colleges and to correct typographical errors. The most significant amendments relate to the section on Property, IT, and Sustainability Matters.</p> <p>The Committee recommended the proposed changes and the updated TOR to the Board for approval.</p>
<b>13.</b>	<p><b>POST MEETING EVALUATION</b></p> <p>The Committee Members preferred face to face meetings to online meetings. Members felt that key issues were covered effectively, and that sufficient time was allocated to discuss HR matters and consider strategic staffing items. The Members</p>

	encouraged future reports to include more focus on opportunities, developments, areas of growth and successes especially regarding the College's financial improvement.
<b>14.</b>	<b>ANY OTHER BUSINESS</b>  <u>Departure of Director of Governance/ Clerk to the Board</u> The Committee noted that Clare Mitchell would be leaving the College at the end of the week. On behalf of the Committee, the Chair thanked Clare for her hard work and support to the Committee over the years and wished her well in her future endeavours.
<b>15.</b>	<b>DATES OF FUTURE MEEETINGS</b>  Wednesday 26 February 2025- 6pm to 8pm in person at the Croydon Campus Wednesday 11 June 2025- 6pm to 8pm in person at the Croydon Campus