Meeting of the Finance and Resources Committee

MINUTES

Items considered confidential on the grounds of commercial or personal sensitivity are redaction from the published minutes

Date	**Wednesday 4 March 2026**
Time	17:00 to
Location	Via MS Teams
Present (Governors):	Meyrick Vevers (Committee Chair) Jesse Adekoya Professor Craig Mahoney (Chair of the Corporation Board) – to 18:45 Christine Ricketts (Principal and CEO) Paul Stedman
In attendance	Alison DeLord (Director of HR) – item 3 Allan Tyrer (Chief Operating Officer) Nolan Smith (Estates Project Manager, Fusion) – item 5 Rui Afons (Director of Estates) – Item 6 Melissa Drayson (Director of Governance)
Observer	None
Apologies for absence	Maureen McDermott (Staff Governor) Rebecca Page-Tickell
Quorum (3)	The meeting was quorate throughout

Item		**Action lead**
1.	**Preliminary items**	
1.2	**Welcome and apologies for absence** Apologies were received from Maureen McDermott and Rebecca Page-Tickell	
1.3	**Declarations of interest** There were no new declarations of interests relating to matters on the agenda. Previously declared interests were carried forward.	
1.4	**Urgent other business** No items of urgent other business had been notified in advance.	

2. Minutes of the previous meeting

2.1 Meetings on 3 December 2026

It was agreed that a note would be added to the Minutes to flag that the planned Special meeting on 14 January did not take place.

RESOLVED: That the following meeting minutes from 3 December be APPROVED:

(i) The Joint meeting with the Audit and Risk Committee
(ii) The subsequent F&R Committee meeting.

2.2 Matters arising

Supporting paper by the Director of Governance

The Committee noted actions that had been completed and those due for report on the agenda. The planned Special F&R meeting to consider housing growth in Construction numbers had not occurred due to the complexity of the issue but was listed for consideration under item 5.

3. Termly People Report

Supporting paper by the Director of Human Resources

The report was taken as read and the following headlines were noted:

- There was a strategic focus on reducing reliance on temporary staff and agency fees by prioritising direct recruitment, though some temporary staffing remained necessary for hard-to-fill roles.

- A target for staff turnover of 25% had been set as part of the PIMS (Post Inspection Monitoring Support) action plan. The current in-year turnover rate was 9.15%. Reporting had been refined to focus strictly on voluntary resignations rather than end-of-contract or dismissals to provide a clearer picture of staff retention.

- The December staff satisfaction survey showed very positive results. This could partly be attributed to a recent pay rise and the successful Structure and Prospects Appraisal (SPA) outcome. Areas for further development included breaking down "silos" between departments.

- The EDI workforce analysis indicated that the staff profile was slightly younger than the previous year. This would, hopefully, address previous concerns about an aging workforce. An EDI Champion (an existing teacher with two days of remission) had just been appointed to drive forward the College’s work.

- The Gender Pay Gap had reduced from previous years, although this was mainly due to high female representation in executive and senior roles. Work was still needed at the lower end of the pay scale as these roles tended to be occupied by predominantly female staff.

- Casework: The college successfully defended a two-year-old employment tribunal case regarding an allegation of racial discrimination; the claim was not upheld.

- Appraisal completion rates were ahead of the previous year's schedule. Focus was shifting from completion to the quality of discussions. Anecdotally, it was believed that the majority of staff found appraisal conversations to be helpful. Governors asked if there were any discrepancies where staff placed on performance improvement plans had previously received positive appraisals.

The Committee noted the outcomes of the comprehensive pay scale review. This had been completed using Croner software to address pay compression at the lower end caused by Minimum Wage, and market rates at the top. The new scale was a "smooth curve" and was deemed affordable within the projected budget. There was a discussion regarding the "Foundation Living Wage," with governors and management expressing a desire to move toward this standard in the future.

Governors raised questions about the percentage of staff who left within their first six months, especially given the high cost of recruitment. Management agreed to analyse these figures to identify any trends or targeted support needs. It was noted that a new support package for incoming teachers had been implemented, including teaching and learning mentors and remission time to allow a phased entry into the classroom.

The People Team was commended for an excellent piece of work on the pay review. The positive movement across all metrics was also noted.

ACTION: To bring an analysis of staff leaving within their first 6-9 months to the committee in the next report **D-HR**

4. Finance

4.1 Monthly Management Accounts, Forecast and Cashflow report – October 2025

Supporting paper by the Chief Operating Officer

Key headlines for the year to date were:

- Current income was on target for the year.
- Pay costs were currently under budget due to a vacancy factor and a later-than-anticipated pay review. However, the second half of the year would see increased costs as new salary rises take effect.
- The college was performing better than forecast, but management was estimating a final position approximately £100,000 below the original starting forecast to account for upcoming investments.
- The Executive team had recently discussed reinvesting some of the current surplus into student resources for the remainder of the academic year.

The Committee noted performance against benchmarks and compliance with covenants was strong. New benchmark tables had been added to the management accounts following recommendations from the FE Commissioner.

It was also noted that the cash flow report had been reformatted for better readability.

A new summary table had been added which tracked the £38.2 million total capital fund derived from the Cala sale and related grants. Governors confirmed that this was clear and helpful.

A new Curriculum Contribution analysis was also considered. This demonstrated that the college was achieving an average contribution rate of 62% from curriculum areas, which aligned with internal efficiency targets. Within this, therefore a number of departmental variations:

- Art, Design, and Media had the highest contributions (75%–81%), prompting a review to ensure these areas aren't understaffed.
- Apprenticeships were delivering a 20% contribution, which was noted as a very strong result for this specific sector.
- Further work was needed to accurately assess hours where staff taught across multiple departments (e.g. Science and Healthcare).

A challenge was raised relating to EBITDA reinvestment, given that the current EBITDA of 13.1% was significantly higher than the 6%-7% levels typically suggested by the FE Commissioner. Progress was requested on the action to model "reinvestment" scenarios to lower the EBITDA by funding more staff or development. It was confirmed that this piece of work was being completed and that the 2026/27 budget was modelled at a 9% EBITDA, allowing for the creation of new roles and moving the salary-to-income ratio toward 67%. Figures would be presented with the next iteration of the budget.

AGREED: That the January 2026 management accounts be commended to the Corporation Board as a positive reflection of the College's financial position.

4.2 Early budget indications 2026-27
Supporting paper by the Chief Operating Officer

It was noted that the DfE had not yet released the 2026-27 student funding rates, making these figures "best estimates" based on the current 10-year plan. Headlines were noted with the proviso that final figures would be brought to the next meeting once there was greater certainty about income.

- Income estimates included a projected £250,000 growth based on higher student numbers for English and Maths, T-Level expansion, and small baseline growth.

- The budget modelled an EBITDA of £1.5 million (9.14%). This represented a deliberate reduction from previous high levels to allow for reinvestment in staff and student resources.

- The college anticipated moving from an "Outstanding" to a "Good" financial health rating as a result of this planned expenditure.

- Staff costs were estimated to increase to approximately 67% of total income. This included: the impact of the new salary banding/pay curve; provision for new strategic posts and a buffer of approximately £200,000 for further investment or unexpected staffing needs.

Governors challenged whether the current numbers represent a sustainable "run rate" or if the college was committing to costs that might become unaffordable in 2027-28. Management confirmed that the figures were based on a full-year spreadsheet analysis including rolling the model forward to 2027-28 to ensure long-term viability.

Governors questioned how potential changes in the Construction department (and student recruitment) might impact income and expenditure. It was clarified that, because 16–19 funding was lagged, any changes in recruitment next year would not impact income until the 2027-28 cycle. Current spare capacity in the salary budget would cover any additional posts required for the construction transition.

AGREED:

(i) **That the EBITDA modelling work currently underway would include in a detailed "Impact Table" in the next draft budget, paper, including showing how different EBITDA levels would affect:**
   1. **Loan covenant compliance.**
   2. **Financial health ratings**
   3. **Capital refresh capabilities.**

(ii) **That the work on the 2027-28 financial plan would include projections to demonstrate the impact of current investment decisions.**

4.3 Termly Procurement Assurance Report
Supporting paper by the Chief Operating Officer

Governors were reminded that the termly report had been introduced to offer full visibility of all procurement exceeding £30,000. A column had been added to demonstrate that proper procurement procedures had been adhered to in each instance.

4.4 Reserves Policy
Supporting paper by the Chief Operating Officer

It was noted that a Reserves Policy was now a sector requirement. The proposed policy followed sector norms in recommending 90 days of reserves. It was noted that many Corporation Chairs had expressed the view that this was too high, as it would mean that cash would be unavailable for spending on core business. It was agreed that further work might be needed in future to understand and refine the optimum level of reserves required

RESOLVED: That the Reserves Policy be recommended to the Corporation Board for APPROVAL.

5. Estates Redevelopment Progress Report
Supporting paper presented by Nolan Smith Fusion

The Committee took the detailed report as read and received an update on the tender results for the New Vickers build. It was noted that the OJEU

(Open Journal of the European Union) process had been followed rather than a standard framework. This three-month process successfully generated more competitive pricing and avoided the "cost amplification" often seen in national frameworks. Four bids had been received, all within the overall budget. The tight grouping indicated a well-developed and clear design specification. The recommendation was for Beard Construction who, although slightly more expensive than the lowest bidder, achieved higher quality scores and had strong financially stability.

The total project costs would be well within the budget, and included a provisional sum for landscaping and potential site contamination. The contractual terms would include a Guaranteed Maximum Price (GMP). whereby the contractors would carry all design and build risks, except for unforeseen ground contamination. In response to governors' questions, it was clarified that the '10% provisional sum' mentioned, referred to client-controlled costs and may be omitted without penalty.

There was acknowledgement of the need to brief Surrey County Council on the tender process. This included a discussion of the need to ensure that spending any budget surplus on landscaping works would not impact on the terms of the element of funding provided by Surrey County Council for Vickers.

As governors had not had the opportunity to read the supporting paper, it was agreed that any comments or questions would be raised by email, in advance of seeking Corporation Board approval on 18th March.

Following the concerns raised at the previous meeting regarding airflow and heat in the refurbished Tower, it was confirmed that a number of technical interventions were underway to improve air circulation and introduce additional cooling if required in the summary.

RESOLVED: That, subject to any issues raised by governors by close of play on 9 March, the recommendation that Beard Construction be appointed to undertake the new Vickers construction be APPROVED by the Corporation

5. Policies falling with the remit of the F&R Committee

Supporting paper presented by the COO

The Committee noted that the Treasury Management Policy and Fees Policy were updated annually. Only minor edits had been made to dates and job titles.

RESOLVED: That the following policies be recommended to the Corporation FOR APPROVAL

- **Treasury Management Policy 2025-26**
- **Fees Policy 2026**

6. Finance and Resources Risk Assurance Report

Supporting paper by the Director of Governance

The Committee was reminded that the overall risk register was reviewed by the Audit and Risk Committee. However, as part of the board assurance process, risks relating to each Committee's remit were brought to each meeting to enable the Committee to confirm to the Corporation Board that it had adequate oversight of them all.

In response to recent feedback from the FE Commissioner, it was agreed to strengthen the risk relating to staff turnover, and include various mitigations in place to retain staff.

AGREED:

i) That confirmation be given to the Corporation Board that all risks within the F&R Committee's remit had been scrutinised in the course of its business;

7. Other urgent business

There was none

8. Date of meetings in 2025-26

24th June at 17:00 via TEAMS

The minutes were approved by the Finance and Resources Committee at its meeting on 24 June 2026