Minutes of the Finance & General Purposes Committee
held on 12 November 2025 at 17.30, Jorvik Suite

Present:	Neil Ashton (Chair) Dr Rob Hickey Heidi Fraser-Krauss Ken Merry	Independent Governor – (via MS Teams) Independent Governor Independent Governor (via MS Teams) Principal/CEO (via MS Teams)
In Attendance:	David Hawkins, Interim Chief Finance Officer Chris Courtine, Head of Finance Operations Carolyn Barker, Director of Governance Chris Leng, Director of Human Resources Sarah Leatherbarrow, Director of Marketing & External Partnerships Philip Curtis, Observer (via MS Teams)	

1.	**Apologies for Absence / Declarations of Interest**	**Action**
1.1	Apologies were noted from Harpal Sambhi and Matthew Rice. Declarations of interest were noted for Heidi Fraser-Krauss and Dr Rob Hickey. The Chair welcomed Philip Curtis, who attended the meeting as an observer. Philip will join the College in early 2026 as Chief Operating Officer.	
2.	**Minutes**	
2.1	**Minutes from 2 June 2025** The minutes of the last meeting were reviewed by the Committee. ***The Committee resolved to approve the minutes.***	
3.	**Matters Arising**	
3.1	**Action Summary Sheet** The Committee received an update on the Action Summary Sheet: • **Balance Sheet Forecast** – Still in progress; the finance team will share once capacity allows. *Action remains open.* • **Strategic Risk Monitoring** – Cyber-attack simulation completed successfully over half term, with further phishing and penetration testing planned. *Action remains open and will inform a future deep dive discussion.* • **Digital Estate Review** – Investment proposal identified; full update scheduled for February 2026 following review by the incoming COO. *Action remains open.* • **Cyber Security Deep Dive & Capital Expenditure Review** – Incorporated into the approved schedule of deep dives. *Action closed.* • **Capital Planning and Tender Process** – Draft three-year CAPEX plan prepared; review by new COO and update in February 2026. *Action remains open.* The Committee noted that most actions are progressing well, with several linked to the new COO's start date in early 2026.	

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	A governor queried whether a planned desktop "what if" exercise had been completed. The Principal confirmed that the exercise had not yet taken place and is expected to be scheduled around spring 2026, ahead of the new COO joining in February. He highlighted that cyber security remains a significant challenge on the risk register. He also outlined recent and planned activities, including system resilience testing, and confirmed that penetration and phishing exercises are scheduled. ***The Committee noted the action summary.***	
3.2	**Any other Matters Arising** There were no other matters raised.	
4.		
4.1	**Deep dive – Capital Expenditure** The deep dive session was scheduled to provide assurance that the College's capital expenditure programme is strategically governed, aligned to institutional priorities, financially sustainable, and supported by effective oversight and risk management. The expected outcome of the session was for governors to gain confidence that capital investments are justified, well-governed, and resourced appropriately, with contingency planning and post-investment evaluation. The Principal presented an overview of the College's capital expenditure programme, including governance arrangements, financial controls, and investment plans for the next five years. Key points included: • Clear internal financial regulations and strong controls are in place, supported by FE Handbook guidance. • Historic investment of £14.2m over the last five years, with £8.5m self-funded and £5.7m grant-funded. • Planned investment of £13.1m over the next five years, including £3m maintenance, £7.5m infrastructure, and £2.6m IT upgrades. During the discussion, governors raised several points to test assurance and explore future planning. One governor asked whether grants for capital projects tend to be announced consistently. Management explained that timings vary significantly; for example, the College received condition funding at the start of the financial year, but bids often arrive with very short timescales, making long-term planning challenging. Another governor queried whether financial modelling had been undertaken to assess potential funding receipts. Management confirmed that modelling exists for an investment programme of approximately £13 million. Governors welcomed the emphasis on sustainability and future-proofing IT infrastructure, noting that this approach supports carbon reduction targets and ensures resilience. They endorsed the need to maintain both physical and digital estates. Further challenge focused on whether software infrastructure is being considered alongside hardware. Management agreed this is critical and highlighted that changes to capitalisation rules for IT assets may affect future planning. Governors also discussed the College's historically debt-averse stance and the importance of maintaining at least a "good" financial health rating.	

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	Finally, a governor asked whether post-project reviews are carried out to capture lessons learned and assess return on investment. Management confirmed that ROI reporting is undertaken and agreed to share this information. The Committee noted the presentation and confirmed that the deep dive provided assurance on governance and strategic alignment of capital expenditure, while highlighting areas for continued scrutiny, including IT investment, sustainability, and funding flexibility.	CC
5.	**Strategic Plan Implementation**	
5.1	**KPI Scorecard** The Committee received the updated KPI Scorecard, which had been streamlined to better reflect the Strategic Plan. The Principal highlighted that the revised format represents a significant improvement on previous versions and provides clearer insight into performance trends. Key positive indicators were noted, including strong staff utilisation at 96.6%, average class sizes now at 18 compared to 13.7 two years ago, and a staff-to-income ratio forecast to remain below 69%, which should improve further this year. Financial health is projected to edge into the "Outstanding" category, and student numbers are forecast at around 4,050–4,100, indicating in-year growth. While higher education income and apprenticeship income remain challenging targets, apprenticeship income is showing growth. The Principal provided context on current student numbers, confirming 4,100 as of the meeting date, and noted that the College is edging towards full capacity, which is starting to create operational pressures. He also emphasised the efficiency gains achieved through increased average class sizes and improved delivery models. Governors explored several areas during discussion. The Chair referenced staff survey results and CPD feedback, noting their relevance to workforce development. A governor queried whether the significant increase in student numbers, from around 3,500 to over 4,100, was due to attracting learners from further afield or displacing enrolments from other institutions. Management responded that the growth reflects a mix of factors, including targeted recruitment activities, and the Director of Marketing and Strategic Partnerships confirmed there is no evidence of significant displacement from schools. The governor suggested that, given the growth trajectory, consideration might need to be given to a secondary site in the future. The Principal agreed this could be an interesting strategic discussion and noted that demographic trends and long-term planning will be key. The Committee welcomed the positive indicators and acknowledged the improvements in efficiency and outcomes. Governors noted the importance of continuing to monitor sustainability, capacity pressures, and demographic trends as part of future strategic planning. ***The Committee resolved to note the update.***	
5.2	**Strategic Risk Monitoring** Governors considered the latest Strategic Risk Register and noted changes since the previous meeting. Management reported that the subcontracting risk had been removed following a successful audit, which confirmed compliance with the Subcontracting Standard. This means the College will not need another subcontracting audit until 2027/28. There was also a	

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	reduction in the residual score for the core purpose risk, reflecting strong student and apprentice outcomes in summer 2025. Following the earlier discussion on cyber security and its inclusion as a deep dive topic, governors returned to this area, noting that it remains a significant challenge on the risk register. Management outlined recent stress-testing activities, including switching systems on and off to test resilience, and confirmed that penetration and phishing exercises are scheduled. Governors welcomed the additional assurance provided by an external review from TIAA as part of the internal audit cycle for 2025/26, which will offer further evidence of control effectiveness. The Committee noted the discussion and agreed that cyber security will remain a priority area for scrutiny, with a deep dive planned in the approved schedule. ***The Committee resolved to note the update on strategic risks.***	
6	**Statutory and Regulatory Compliance**	
6.1	**Annual Data Protection Report** The Director of Governance presented the Annual Data Protection Report. Overall, the College is in a strong position regarding compliance, and governance arrangements remain robust. The main risks identified relate to delays in breach reporting and gaps in staff training. Steps have been taken to mitigate these risks, including updated training materials and reinforced breach response procedures. In relation to data subject access and Freedom of Information requests, most were completed within statutory timescales. Three Subject Access Requests exceeded deadlines due to complexity or awaiting clarification. Breach reporting overall remains timely. Policies have been updated to reflect the new Data (Use and Access) Act 2025, which introduces changes to data request handling, legitimate interests, and ICO powers. The College continues to monitor further developments. An internal audit was completed recently, with positive initial feedback. The audit covered Data Subject Access and FOI requests and identified only routine recommendations, plus recommendations to update the Asset Register, website cookies policy, and IT equipment disposal procedure. The Chair asked about staff awareness of completing Data Protection Impact Assessments (DPIAs). The Director of Governance confirmed that guidance is available via the College's SharePoint site, which includes comprehensive resources on data protection and DPIA completion. Additionally, the Data Protection Officer provides oversight and support for staff undertaking DPIAs. ***The Committee noted the report and the assurance provided.***	
7	**Financial Sustainability** **2024-25 Financial Performance**	
7.1	**Management Accounts for the 12 months to 31 July 2025** The Interim CFO presented the management accounts for the year ended 31 July 2025. The College reported an operating surplus of £82k, which is slightly higher than forecast and represents a positive movement compared	

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	to the budgeted deficit of £179k. Depreciation of over £2m was noted, and the College continues to generate cash, finishing the year with £6.5m in bank balances (although, some of this is a restricted Capital Grant). Financial health remains strong, with the College achieving a score of 230 points, placing it at the upper end of the "Good" category and close to the 240 points needed for "Outstanding." The Interim CFO highlighted improvements in apprenticeship numbers later in the year, contributing to the positive outturn. Governors noted the overall positive picture and commended the strong cash position. During discussion, the Chair queried a variance on ESFA accounts, and the Head of Finance Operations provided clarification. Governors acknowledged the assurance provided and noted that the College remains financially sustainable with robust controls in place. ***The Committee noted the management accounts for the 12 months to 31 July 2025.***	
7.2	**2024-25 Draft Financial Statements** The Interim CFO presented the draft financial statements for the year ended 31 July 2025, confirming that the College is in a strong position overall. The statements had been reviewed by the Audit Committee earlier in the week, with only minor wording adjustments required before finalisation. The Committee noted that the financial statements provide a comprehensive overview of the College's performance, including the financial outturn, strategic plan progress, going concern assessment, and the statement of corporate governance. The report also reflects input from HR, governance, and other teams, and references internal audits completed during the year. RSM has suggested some areas for development, which will be considered going forward. In reviewing the financial results, the Interim CFO highlighted an operating surplus of £82k, alongside minor year-end accounting adjustments, including pension-related changes. Growth in 16–18 student numbers, an increase in funding rates, improved retention, and higher apprenticeship income contributed to the positive position, supported by additional grant income. Staff costs increased in line with student growth, but the College retains a strong balance sheet and cash position. Governors explored several points during discussion. One governor commended the team for their work and queried the reported student figure of 4,965, asking how this aligns with other enrolment numbers. Management clarified that this figure includes all students, not just 16–18 students – but excludes apprentices. Questions were raised about disclosure requirements for severance payments, which management confirmed must be itemised and classified as contractual or non-contractual. Governors also queried the £2m increase in cash compared to the previous year and the liquidity ratio (53 vs 47 days). Management explained that the increase relates (in part) to restricted capital reserves, which cannot be applied to liquidity, and agreed that clearer disclosure would improve transparency. Further discussion focused on the pension asset ceiling, with governors challenging the accounting treatment. Management confirmed that the College had previously made its position clear and expects the asset to remain for at least another year, though this may change. Governors also	

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	raised broader questions about future government policy on pension pots, which management noted will be monitored. ***The Committee noted the draft financial statements and recommended them to the Board for approval.***	
8	**<u>2025-2026 Financial Performance</u>**	
8.1	**Management Accounts for the 2 months to 30 September 2025, including year-end forecast** The Interim CFO presented the first set of management accounts for 2025–26, noting that it is early in the financial year but adjustments have been made to reflect current information. The Committee reviewed the waterfall chart illustrating key variances from the original budget. The Interim CFO reported that the College had budgeted for a full-year surplus of £304k, which is now forecast to increase to £444k, a favourable movement of £140k. Key factors influencing the forecast include reduced T-Level funding and clawback, positive apprenticeship funding performance, and the inclusion of a cost pressures grant. While HE and international income are lower than expected, apprenticeship numbers are strong, and high needs funding is being approached cautiously. Payroll savings from pensions (around 6%) and reduced subcontracting costs (saving £135k) were also highlighted. At this stage, the College is reporting a year-to-date cash surplus of £2.7m (before depreciation, interest, tax, and Amortization), and cash balances have risen to £7.7m, compared with £5.4m at the same point last year. The Interim CFO confirmed that financial health is forecast to achieve an “Outstanding” rating for 2025–26. The Chair asked whether this position would place the College in the outstanding category, and the Interim CFO confirmed that it would. The Principal commented that it is encouraging to be in a position where the College can consider future investment opportunities. ***The Committee noted the management accounts for the two months to 30 September 2025 and the updated year-end forecast.***	
9	**College Staff and Teams**	
9.1	**HR Report (Workforce Profile Info and Tutor Utilisation)** The Director of Human Resources presented the annual HR report, which provided an overview of workforce profile, sickness absence trends, and tutor utilisation. The Committee noted that the report is considered at this meeting each year to review current staffing data alongside previous year comparisons. Sickness absence for the rolling year to 30 September 2025 was reported at 2.9%, down from 3.5% in the previous year. The reduction is largely due to a decrease in long-term absence, while short-term absence rose slightly. Mental health remains the most significant reason for absence, accounting for 17.7% of all cases, with mental health and stress combined representing 29.7% of absences. This is a slight increase on last year but still lower than the 33.9% recorded two years ago. There were five work-related injury cases during the year, but none indicated systemic issues. The Director confirmed that benchmarking now uses CIPD all-sector data and other organisations, as AoC no longer provides sector-specific benchmarks. Current absence levels compare favourably with national	

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	figures. Governors discussed the importance of supporting staff wellbeing and queried the policy on managing long-term absence and pay entitlements. The Director confirmed that trigger points are built into the policy and that pay arrangements are broadly aligned with public sector norms, with some variation for professional services staff. Governors also asked whether the proportion of mental health-related absence was higher or lower than other colleges; the Director noted that comparative data is no longer available due to the cessation of AoC benchmarking. Tutor utilisation was reported at 96.89%, an improvement on the same point last year (93.1%) and above the previous year-end figure of 96.68%. While two areas, Apprenticeships and Maths, currently show underutilisation, this is expected to be resolved through timetable adjustments. The Committee noted that overall utilisation is strong and reflects efficient deployment of teaching resources. The Committee welcomed the positive trends in absence reduction and tutor utilisation and emphasised the need to maintain focus on staff wellbeing and workforce efficiency. ***The Committee noted the report.***	
10	**Estates and College Environment**	
10.1	**Health, Safety and Welfare Update** The Director of Human Resources provided an update on health and safety matters. The Committee noted that the new Health, Safety and Welfare Manager, Andy Holmes, commenced employment at the date of the meeting. A substantial four-week handover period with the outgoing postholder had been arranged to ensure continuity and allow finalisation of outstanding matters. The Committee was invited to raise any questions on the health and safety statistics presented in the report. No questions were raised. ***The Committee resolved to note the update.***	
11	**Policy and Other Matters**	
11.1	**College and Governors Insurance Cover** The Interim CFO provided an update on the College's insurance renewal effective from 1 November 2025. The Committee noted that the renewal terms largely mirror last year's arrangements, with changes limited to inflationary adjustments and increases linked to staff numbers and vehicles. The policy includes a £70 million limit for any one event, which the Interim CFO confirmed is set by the insurer. Governors queried whether this limit could be increased, and management advised that obtaining additional cover would be prohibitively expensive. The Committee was informed that the College uses a broker for its insurance arrangements. The Chair asked about the broker fee, which was confirmed to be approximately £8,000. Governors also discussed the recommendation to undertake a building valuation to ensure sums insured remain accurate; management confirmed that this will be scheduled shortly as good practice. During discussion, governors explored whether there are sector-wide brokerage arrangements similar to those in the university sector. It was noted that the AoC does not currently offer such a facility, and a governor suggested exploring this further.	DH DH

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	The Committee noted the report and the assurance provided on the adequacy of cover. ***The Committee noted the insurance renewal arrangements.***	
12	**Key Meeting Outcomes and/or Actions**	
12.1	Matters for report to the Governing Body (If any) - Management Accounts - Financial statements - Capital Expenditure Deep Dive The Chair requested that the slides from the Capex deep dive be shared with governors.	CB
12.2	Matters for report to the Audit Committee (if any) - There were no matters to report to audit.	
13	**Summary matters**	
13.1	**Any Other Business** No items were submitted for inclusion under this item. The Principal provided a brief update on staff pay negotiations. Discussions with the unions have been productive, and a proposed pay adjustment, incorporating alignment with the Real Living Wage and changes to lower pay scales, is under consideration. A response from the unions is expected by 24 November, with a recommendation to the Board planned before January.	
13.2	Date of Next Meeting – 11 February 2026	

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