



**Minutes of the Finance & General Purposes Committee  
held on Wednesday 12 February 2025 at 17.30 – 19.30, Jorvik Suite**

|                       |   |   |
|-----------------------|---|---|
| <b>Present:</b>       | Neil Ashton (Chair)<br>Dr Rob Hickey<br>Heidi Fraser-Krauss<br>Ken Merry<br>Matthew Rice<br>Harpal Sambhi   | Independent Governor<br>Independent Governor<br>Independent Governor<br>Principal/Chief Executive<br>Independent Governor<br>Staff Governor |
| <b>In Attendance:</b> | Jason Pepper, Chief Finance Officer<br>Carolyn Barker, Director of Governance<br>Chris Leng, Director of Human Resources<br>Jackson Armstrong, Director of Curriculum: Higher, Technical & Professional Education   |   |
| <b>1.</b>             | <b>Apologies for Absence / Declarations of Interest</b>   | <b>Action</b>   |
| 1.1                   | <p>Welcome and introductions were given at the start of the meeting.</p> <p>There were no apologies noted.</p> <p>Declarations of interest were noted for Heidi Fraser-Krauss and Dr Rob Hickey as recorded on the register of declarations. Neil Ashton advised his declarations had been provided in advance of the meeting.</p> <p>The Chair of the meeting was Neil Ashton. Notice of the meeting was given at least 7 days in advance. The meeting was quorate. This was Neil Ashton's first meeting as chair of the Finance and General Purposes committee.</p> |   |
| <b>2.</b>             | <b>Minutes</b>  |   |
| 2.1                   | <p><b>Minutes from 14 November 2024</b></p> <p>The minutes of the last meeting were reviewed by the Committee.</p> <p><b><i>The Committee resolved to approve the minutes.</i></b></p>  |   |
| <b>3.</b>             | <b>Matters Arising</b>  |   |
| 3.1                   | <p><b>Action Summary Sheet</b></p> <p>All actions from the meeting held on 26 November had been completed.</p> <p>The Chair asked Heidi how her meeting with the Head of IT Services went. She advised that it was useful and mentioned the link governor arrangements.</p> <p>The committee revisited the discussion from the last meeting regarding transport. This provided some welcome background for those new to the committee.</p>  |   |
| 3.2                   | <p><b>Any other Matters Arising</b></p> <p>No other matters had been brought to the Chair's attention for discussion.</p>   |   |
| <b>4.</b>             | <b>Strategic Plan Implementation</b>  |   |
| 4.1                   | <b>Finance and General Purposes KPI Scorecard and update</b>  |   |

|     |  |    |
|-----|--|----|
|     | <p>The committee reviewed the Finance and General Purposes KPI Scorecard and received an update on the implementation of the strategic plan.</p> <p>The Chief Finance Officer reported that the college is on track to achieve an outstanding financial health rating and advised that the Principal is managing the finances prudently this year, with significant infrastructure investments planned, particularly in IT.</p> <p>Governors inquired about the monetary value of achieving a "good" rating, to which the Chief Finance Officer responded that it could vary depending on the specific context and financial metrics used however is approximately £210k.</p> <p>Governors asked if the strategic KPI scorecard aligns with the current strategic plan. The Principal advised that there are some similarities, but a refresh of the report is planned.</p> <p>Governors sought clarification on the difference between targets and milestones for 2025. The Principal explained that a milestone is where they aim to be at the end of the academic year. Governors expressed some confusion with the column headings and requested that they be tidied up.</p> <p>Governors noted that student retention is currently at 98.0%, above the target of 92.9%. They asked if this could decrease. The Principal confirmed that the target is for the end of the year, and there may be some losses between now and then. However, retentions are slightly ahead of where they were at this point last year.</p> <p>In terms of staff satisfaction governors inquired about the current level. The Principal responded that staff are more satisfied and happier now compared to previously. A straw poll conducted six months ago, after a period of turbulent change, indicated improved satisfaction. The outcome of the staff survey at the end of the year was said to provide more insights. The Director of Human Resources highlighted that changes are being made to the survey questions this year.</p> <p>The committee noted the updates on the KPI Scorecard and the strategic plan implementation. The discussion highlighted the positive financial outlook and the need for clarity in reporting metrics.</p> | JP |
| 4.2 | <p><b>Strategic Risk Monitoring</b></p> <p>The committee reviewed the Strategic Risk Monitoring report, which highlighted several key issues related to infrastructure, maintenance, and financial planning. The committee was made aware of the redesign of the current Risk Register and that there was a Strategic Leadership Team meeting towards the end of January that saw the redesign and addition of new risks (hazards).</p> <p>Governors noted the key issues highlighted in the report.</p> <p>The Chief Finance Officer reported that all core IT switches are out of warranty and that a bid for funding to replace them has been submitted, and additional funding will be sought to replace screens for plugging in laptops. There was concern expressed about the outdated equipment. Similarly, it was reported that all lifts are out of warranty and the goods lift is broken. However, the Principal advised that maintenance plans are in place for the lifts.</p>  |    |

|           |  |    |
|-----------|--|----|
|           | <p>The Chief Finance Officer advised his team had been exploring the re-use of sports pitches from York St John University. A governor raised his concern advising that the 3D football pitch is no longer safe for matches and will need to be replaced. Discussions had taken place with the university's procurement manager however the governor advised further discussions should take place.</p> <p>Governors inquired about the extent of funding for ongoing maintenance versus reliance on one-off funding. The Principal explained that there is no dedicated funding for ongoing maintenance; it would be funded through cash or grants.</p> <p>Governors questioned how the college reached the position where lifts and switches are out of warranty. The Principal responded that on appointment of the new Chief Finance Officer he has been uncovering issues, however the statutory maintenance report previously submitted to the committee had indicated that the lifts were heading towards being out of warranty. Governors had assumed that from the significant capital investment made in the new college building there would have been a planned maintenance programme. The Principal assured that the lifts remain serviceable and not a safety issue but planning for maintenance in the next 2-4 years is necessary. A governor offered support to document the maintenance needs.</p> <p>The Chief Finance Officer mentioned that a report had already been provided, and there was a view that significant funding will be received to help with IT work. The Chair requested that the Chief Finance Officer circulates the bid to the committee, due to the large amount of money involved.</p> <p>The Chief Finance Officer highlighted investment requests from curriculum areas and delays in payments from external parties. Governors asked if this posed a risk to cash flow. The Principal responded to advise there is no significant risk to college operations but more of an annoyance.</p> <p>Governors inquired about the timeframe for bringing the risk schedule to the committee. The Principal stated that it will be submitted to the next Audit committee first, then through all committees, and finally to the board.</p> <p>The committee noted the updates on strategic risk monitoring and acknowledged the need for proactive planning and funding to address infrastructure and maintenance issues.</p> | JP |
| <b>5.</b> | <b>College Staff and Teams</b>   |    |
| 5.1       | <p><b>HR Report (workforce profile and tutor utilisation)</b></p> <p>The committee reviewed the HR Report, which provided updates on workforce profile, tutor utilisation, and various HR-related issues.</p> <p>The Director of Human Resources provided an update on the overall absence rate having declined, with a slight decrease in absences attributed to mental health. Governors inquired about the actions taken to address it. The director mentioned that there are currently a few staff members on long-term sick leave and relevant measures are being put in place such as occupational health assessments, keep in touch discussions and risk assessments, as required.</p>  |    |

|          |   |                     |
|----------|---|---------------------|
|          | <p>Governors asked about the sickness pay policy, which is 6 months full pay and 6 months half pay and queried if the current policy should be kept or reduced. The Principal responded that changing it could cause concern as it is part of terms and conditions for staff.</p> <p>The Principal provided an update on government funding and national insurance costs. The government had indicated that funding will be available to support the costs associated with national insurance thresholds. However, this remains a concern until further government correspondence has been received. In addition, a confirmation letter regarding the continuation of teachers' pension funding is awaited and the college is seeking assurance that it will be funded.</p> <p>Governors asked if there are any areas of concern related to sickness absence within the college. The Director of Human Resources mentioned that there is one area, student experience, where staff members were off with stress but are now on a phased return.</p> <p>The committee noted the updates on the HR Report, including the decline in sickness absence, funding for pay, and areas of concern.</p>  |                     |
| <b>6</b> | <b>Committee Assurance Review</b>   |                     |
| 6.1      | <p><b>Estates</b><br/>The committee received an Estates report, which provided updates on funding opportunities, current projects, and future investment needs. Approval for the investments outlined in the report were sought from the committee.</p> <p>Governors inquired about available funding. The Chief Finance Officer mentioned the possibility of funding from the Football Foundation but it was advised that it tends to be limited to those organisations already logged on their procurement list.</p> <p>Members discussed the renewal of the sports pitch and asked when it was last repaired. It was confirmed it had been repaired a couple of years ago. Only one quote had been received to date and the team are currently obtaining two more. A governor offered to share information on the quotes they had received, which the Chief Finance Officer may find helpful. The plan is to explore all avenues before making a decision.</p> <p>Governors asked if the joinery facility, mentioned in the report, is up and running. The Chief Finance Officer responded that it is not yet operational due to vandalism, but they are in the process of obtaining quotes for refurbishment. Joinery placements are expected to start in September 2025.</p> <p>The Chair noted that the report stated that the board needs to approve the investments, and he raised his concern regarding the lack of sufficient detail upon which to make a decision. The Chief Finance Officer agreed to write up a detailed paper for the next meeting.</p> <p>Members briefly discussed limits of authority with the Chief Finance Officer mentioning that the previous authorisation limit was £20K, which has been proposed to be increased to £140K.</p> <p>Governors asked about the long-term capital investment and planned maintenance needs over the next 4, 6 and 8 years. They suggested being more proactive and allocating additional resources. The Chief Finance</p> | <p>JP</p> <p>JP</p> |

|          |   |  |
|----------|---|--|
|          | <p>Officer mentioned that a five-year plan is being drawn up by the estates manager and will be presented to the committee.</p> <p>Members discussed current bid opportunities such as the Skills Innovation Fund. It was noted there was a bid for sustainability in construction and health areas possible. The Principal mentioned a limit of £1M for a single bid and is considering including green technology in the bid to support ongoing training.</p> <p>The committee noted the updates on the Estates report and acknowledged the need for detailed planning and proactive investment in infrastructure and maintenance.</p>  |  |
| 6.2      | <p><b>Health, Safety and Welfare update</b></p> <p>The committee reviewed the Health, Safety and Welfare update, which included updates on new health and safety measures, upcoming legislation, and current issues within the college.</p> <p>The Chief Finance Officer updated the committee on the appointment of a new Health &amp; Safety Manager. He also advised of new legislation expected to come into force soon, Martyn's Law, which is likely to result in improved security measures needed within the college estate to ensure safety. There was reference made and discussion regarding the installation of barriers. The Principal noted that while the college is outside the city centre and currently not a major security concern, it is important to consider the implications and balance moral and legal compliance with reputational impact.</p> <p>Governors suggested referring to previous discussions and reports covering access entry points and the use of fake cards which could provide useful information as to the rationale for decisions made previously. The staff governor asked if ID badges could be collected from students when results certificates are given. The Principal mentioned that the colouring of lanyards has been changed this year to make them easier to spot and that they will consider further actions once the implications and requirements are clear.</p> <p>Governors were appraised of the incidents of vandalism in the toilets. The college is exploring options such as facial recognition to address this issue. Governors raised concerns about data protection and the need to inform students and staff.</p> <p>The Chair inquired if students who self-harm are referred to the safeguarding team. It was confirmed that they are.</p> <p>The Chief Finance Officer mentioned that an intercom system has been installed in college to be used for various functions and there are plans to stage a lockdown event at some point in the year.</p> <p>The committee noted the updates on health, safety, and welfare, including the new Health &amp; Safety Manager, upcoming Martyn's Law, and measures to address vandalism.</p> |  |
| <b>7</b> | <b>Statutory and Regulatory Compliance</b>  |  |
| 7.1      | <p><b>Disaster recovery/business continuity plan</b></p> <p>The committee reviewed a report regarding the Disaster Recovery/Business Continuity Plan (BCP) and discussed areas for improvement and clarification.</p>   |  |

|          |  |  |
|----------|--|--|
|          | <p>The Chief Finance Officer reported that the college has a good BCP plan but had identified areas for improvement. Governors questioned the inclusion of incidents such as sexual assault, rape, and students going missing in the BCP, as it was thought that these would not necessarily directly impact the full operation of the college but clearly requires to be part of an incident response plan. The Chief Finance Officer agreed and mentioned that incident response sheets will be written up in the next few months.</p> <p>The Chair inquired about the frequency of BCP reviews. It was confirmed that it is reviewed annually. Governors emphasised the importance of ensuring a fully updated BCP is in place and requested that the updates to be completed in a timelier manner rather than planning for full completion in a year. He recommended covering various scenarios through desktop exercises. The Chief Finance Officer acknowledged that while many scenarios are covered in the current plan, some specific student-related scenarios are not. He agreed that these need to be included.</p> <p>The committee noted the updates on the Disaster Recovery/Business Continuity Plan and acknowledged the need for separating incident response from the BCP. The discussion highlighted the importance of regular reviews, covering all relevant scenarios, and conducting desktop exercises to ensure preparedness.</p>  |  |
| <b>8</b> | <b>Financial Sustainability</b>  |  |
| 8.1      | <p><b>2024-25 Financial Performance</b><br/> <b>Management Accounts for the 5 months to 31 December 2024, including year-end forecast</b></p> <p>The committee reviewed the management accounts for the five months ending 31 December 2024, including the year-end forecast.</p> <p>The Chief Finance Officer reported that the college is £298K above projected income for the year, with an operating surplus of £480K expected before accounting for Blackpool subcontracting. Staff costs are approximately £300K under budget. He advised that the college is on track to achieve outstanding financial health rating.</p> <p>Governors inquired if any IT costs could be capitalised and advised that it might be worth discussing this with auditors at the end of the year.</p> <p>The Chief Finance Officer noted the positive financial position and mentioned that funding rates are expected to increase next year, with further subcontracting planned.</p> <p>There was a discussion about installing solar panels on the college roof. A governor suggested double-checking the energy production and payback period.</p> <p>Governors asked about the position on apprenticeship figures. The Principal explained that funding is in two parts: those on the programme and those forecasted to achieve.</p> <p>Governors inquired about deferred capital on the balance sheet and whether it extends over one year. It was confirmed that it does.</p> <p>Members noted that debtors with 120-day terms were assumed to be the council. The Chief Finance Officer confirmed their impact, and the Principal mentioned that some students are also debtors, but this does not cause significant concern.</p> |  |

|          |   |    |
|----------|---|----|
|          | <p>The committee noted the updates on the financial performance for 2024-25 and acknowledged the positive financial outlook. The discussion highlighted the importance of capitalising IT costs, verifying the feasibility of solar panels, and monitoring apprenticeship funding and debtor management.</p>  |    |
| 8.2      | <p><b>2025-26 Budget Challenges</b></p> <p>The committee reviewed the budget challenges for the 2025-26 academic year, discussing the financial outlook and strategies for higher education (HE) and adult provision.</p> <p>The Chief Finance Officer explained that the college is in a positive financial position this year, benefiting from extra funding through capital grants. Governors inquired about the strategy for HE and adult provision. The Principal explained that while the allocation for adult courses will be cut, these courses typically do not make a margin. The strategy involves balancing the funding given with the resources needed to grow. Although adult provision is important, it is challenging to make it financially viable. It was noted that there is likely to be a funding boost next year for students on two-year programmes.</p> <p>The committee noted the updates on the 2025-26 budget challenges and acknowledged the positive financial outlook.</p>  |    |
| <b>9</b> | <b>Policy and Other Matters</b>   |    |
| 9.1      | <p><b>Financial Regulations</b></p> <p>The committee reviewed the updated Financial Regulations, which had been redrafted to align with the Education and Skills Funding Agency (ESFA) model.</p> <p>The Chief Finance Officer advised that the model used for the new Financial Regulations is from the ESFA. Governors advised of their confusion about the inclusion of £140,000 in the regulations and asked about the sign-off limits. The Chief Finance Officer clarified that the limit for the Principal to sign off had been proposed to be increased to £140,000. Governors inquired about the rationale for changing the limit from £20,000 to £140,000. The Principal explained that this change brings the college in line with ESFA recommendations.</p> <p>Governors raised concerns about moving from the existing document to the new one without seeing a comparison and therefore requested a comparison to be shared with committee members. The difference in thresholds for tendering and procurement via OJEU and approvals was also mentioned. The committee discussed the need to set out who is responsible for approvals at various monetary levels.</p> <p>It was agreed that the document would be updated and circulated to members prior to recommending approval to the governing body.</p> <p>The committee noted the updates on the Financial Regulations and acknowledged the need for clarity on approval limits, comparison with the original document, and setting out responsibilities for approvals, before approving the new regulations for approval to main board.</p> | JP |
| 9.2      | <p><b>Reserves Policy</b></p> <p>The committee received a re-drafted copy of the Reserves Policy for the College. Governors noted that the aim is to increase cash reserves to £7.0m by 2030 essentially with a view to increasing reserves by £500,000 per annum until 2030.</p>   |    |

|           |   |    |
|-----------|---|----|
|           | <b><i>The committee resolved to approve the policy.</i></b>   |    |
| 9.3       | <p><b>Subcontracting</b><br/>The committee reviewed the subcontracting arrangements and noted the upcoming audits.</p> <p>The Chief Finance Officer reported that RSM (external auditor) conducted an informal review last week and that there is a formal audit planned by TIAA (internal auditors). The audit will assess the college's subcontracting practices and identify any areas requiring attention.</p> <p>Governors inquired about where the audit outcome report will be presented. The Principal confirmed that the report will be submitted to the Audit Committee but will also be brought to the Finance and General Purposes (F&amp;GP) Committee.</p> <p>The committee noted the updates on subcontracting and acknowledged the upcoming TIAA audit.</p> | JP |
| <b>10</b> | <b>Key Meeting Outcomes and/or Actions</b>  |    |
| 10.1      | <p>Matters for report to the Governing Body (If any)</p> <ul style="list-style-type: none"> <li>- Management Accounts</li> <li>- Estates and IT investments</li> <li>- Budget challenges</li> <li>- Subcontracting audit</li> </ul>   |    |
| 10.2      | <p>Matters for report to the Audit Committee (if any)</p> <ul style="list-style-type: none"> <li>- There were no items requiring reporting to the Audit committee.</li> </ul>   |    |
| <b>11</b> | <b>Summary matters</b>  |    |
| 11.1      | <p>Any Other Business</p> <p>There were no items submitted for inclusion under any other business.</p>  |    |
| 13.2      | Date of Next Meeting – Wednesday 7 <sup>th</sup> May 2025   |    |