



**Minutes of the Meeting of the
Finance, Resources and Capital Projects Committee**
held at the College at 4.00pm on Wednesday 25 September 2025

Present: Mr P Sullivan (PS) Chair
Mr T Hayhoe (TH)
Mr S McGeoch (SM)
Ms M Gajewska (MG)

In Attendance: Ms K Frost (KF) Head of Governance
Mr M Cooper (MC) Executive Director Finance, HR and Development
Ms L Stewart (LS) Interim Executive Director Resources

26/25 Welcome and Apologies

The Chair opened the meeting and welcomed everyone. There were no apologies for absence.

27/25 Declarations of Interest

There were no declarations of interest relating to the items on the agenda.

28/25 Current Events

Governors asked about the impact of transferring the Adult Skills Fund and the Apprenticeship Levy to the Department for Work and Pensions (DWP), and whether this would affect funding in future years.

MG said the change would mean the College working with two different ministers, one from the Department for Education (DfE) and one from DWP. The Association of Colleges (AoC) was currently involved in a range of meetings to assess the implications, but no further information was available yet. It was hoped that the DWP's responsibility for adult funding and apprenticeships would bring greater focus to these areas. However, there was a risk that the transition could delay progress. It was unlikely to affect funding this year or cause any major impact next year. On a positive note, having two departments lobbying for skills and education might lead to increased emphasis on adult skills.

29/25 Minutes of the Last Meeting

Minutes from the meeting of the committee held on 18 June 2025 had been received in advance (Paper 3).

IT WAS DECIDED the minutes were a true record of the meeting and they were approved.

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30/25 **Matters Arising**

An update on progress towards the actions agreed at the last meeting was received in advance of the meeting. The Committee reviewed the update and the following matters arising were discussed:

17/24e: The Annual Procurement Report would be circulated as soon as possible. Some gaps had been identified during its preparation. A key benefit of compiling the report had been the identification of needs, including training needs. MC had reached out to Crescent Purchasing Consortium who would provide support in this area. There were no concerns regarding higher risk areas.

32b/24: Benchmarking Data: Paper 4b, College Financial Benchmarking Data 2023-24, was distributed in advance of the meeting.

It was agreed the benchmarking exercise had been useful. It was noted that comparisons were challenging due to the size of the College. The Department for Education (DfE) return was expected to provide additional data, which could enable more meaningful pay comparisons if a good proportion of colleges submitted.

The Chair noted that, on issues other than size, the College's performance was generally average. However, he highlighted that the College had the second highest average number of teaching staff per learner (FTE), the highest staff training costs per FTE staff, the joint highest contracted teaching hours and the highest energy cost per square metre. It was noted the energy cost per square metre would reduce following the change of contract and measures that had been put in place.

The Committee discussed whether the benchmarking data would impact strategic discussions. It was agreed that the focus should remain on student experience and educational outcomes, with the priority being to maintain high standards in both areas.

There were no concerns with the benchmarking data.

5/25c: The Financial Regulations: It was noted that work to update the Financial Regulations was still underway.

The Committee reviewed the updated Financial Scheme of Delegation (Paper 4c). MC reported the following changes had been made: Clarification that the same financial thresholds and approval processes applied to multi-year contracts and a change to the bank payment approval process. A further change was made to note that the appointment of the internal auditors and external auditors would be approved by the Corporation.

With those changes, **IT WAS DECIDED to recommend the updated Financial Scheme of Delegation to the Corporation for approval.**

31/25 **Finance**

a) **Update to Finance Department Staffing**

An 'Update on Management Accounts Preparation' (Paper 5a) was received in advance of the meeting.

Composition of Management Accounts

MC confirmed that the management accounts now included segmented reporting and invited feedback from governors.

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Governors asked that restricted cash be shown alongside gross cash in future reports.

Action: MC

Overall, governors were satisfied with the composition of the management accounts. It was noted that minimising duplication between the management accounts and the dashboard would be beneficial.

Schedule for Delivery Date of Management Accounts

The proposed timetable for delivery dates was reviewed, as outlined in the paper titled 'Management Accounts Timetable 2025–26' (Paper 5b).

It was agreed that the Committee should have access to the most recent set of management accounts at each meeting. The last working day of the following month was confirmed as the standard delivery date, with two noted where timing may be tight. Governors recognised that December and July could present challenges due to holiday periods.

It was confirmed that the management team would be given the opportunity to formally review the accounts before circulation to governors. This was considered important to ensure the Executive Team remained fully informed and able to alert governors promptly to any emerging issues. The ET+ Funding and Finance group was being used to support this review process. It was further noted that the Committee would be informed of any major developments that occurred subsequent to the production of the management accounts.

A reminder was arranged to be sent at the end of each month to help maintain the agreed schedule.

Quality Control Procedures for Management Accounts

Governors asked about issues with quality control and queried why the process was not fully automated.

MC responded that the issues were minor but acknowledged that there was currently insufficient automation, with too much manual intervention. He explained the majority of transactions should be processed with only minor adjustments and that a new reporting tool was being implemented, which would include more built-in checks. Governors expressed a desire to improve automation and reduce errors, aiming to make the process as efficient as possible. It was noted that the benefits of these improvements were beginning to be seen.

b) Draft Year End Management Accounts

The 'Draft Jul 25 Management Accounts' (Paper 5b) was received in advance of the meeting.

MC reported that there had not been significant movement from previous forecasts, and the draft outturn was broadly in line with expectations. External auditors were scheduled to begin their review in two weeks.

He highlighted ongoing challenges with high needs funding from local authorities. Some authorities had pushed back on the rates applied to additional support costs, SSA time, and the associated hourly rates. One or two local authorities had stated they would not approve rate increases above a certain threshold, despite rising costs. It was noted that securing earlier commitments to rates in future years would be beneficial. There had also been resistance from some authorities regarding the levels of support provided to students, despite the College delivering provision as outlined in Education, Health and Care Plans (EHCPs).

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Governors noted that these issues appeared to emerge late in the financial year, typically around April or May, and asked what steps were being taken to anticipate them earlier this year. MC explained that the College worked with high needs students from multiple authorities and had agreed a timetable with some of them to improve the sharing of information. Although reconciliation usually occurred in the summer term, the College aimed to identify issues earlier and take more timely action.

It was reported that, overall, the College maintained a positive available balance after capital expenditures. However, there was a £177k overspend on building works, while spending on IT and furniture and fixtures was below budget.

Governors queried whether there was a process in place to flag when spending on a particular item was likely to exceed budget significantly. MC explained that the notional overspend was due to development works in the Supported Learning area and the relocation and redesign of workshops that had been displaced as a result. Funding for this was expected from the London Borough of Hounslow, although the exact amount and timing were not yet confirmed. An agreement was in place for the Local Authority to co-fund the development of the Independence Hub, and this was being followed up.

Governors asked whether the funding from Hounslow had been recognised in the accounts. MC confirmed that it had not yet been received but would be included in this year's accounts.

Governors suggested that future reports should clearly highlight the reasons for any large overspends.

c) **Update on Budget 2025-26, including Staff Pay Award Assumptions**

A Confidential Item was discussed.

d) **Summary of Insurance Arrangements**

Paper 5d 'Insurance Arrangements' was received in advance of the meeting.

Governors thanked the team for the paper, noting that it was informative and comprehensive, and provided reassurance regarding current coverage.

Governors asked for an update on the progress of claims relating to recent fire incidents. It was reported that the total cost of £83k had been submitted to insurers, and the College was being kept informed of developments.

A query was raised regarding the 2020 claim against public liability cover, for which the total value paid and reserved stood at £653k. Mark Cooper referenced an incident at the Skills and Logistics Centre in relation to this and advised that the total paid and reserved was expected to rise to around £1m. The College is fully covered in respect of this claim so bears no financial liability for it

The Committee discussed principal uninsured risks, including terrorism. MC explained that terrorism cover had been discontinued around six or seven years ago, and the vast majority of colleges had opted not to continue with it.

Governors noted the need to implement new procedures in line with the Martyn's Law requirements to protect against terrorism and queried whether insurance cover for terrorism was available. MC explained that such cover could be obtained but was expensive. Governors asked whether it should be considered. MC noted that in the event of an incident, the funding agency might provide support. Governors agreed

that a conversation should be held with the Association of Colleges (AoC) to explore the degree of risk associated with terrorism and their approach to colleges purchasing insurance cover.

Action: MC

Governors asked whether insurance was available from the government. MC explained that the Risk Protection Arrangement (RPA) was available to schools and academies, but colleges had a broader range of provision and higher risk profiles. Although there had been discussions about extending RPA to colleges following reclassification, it was ultimately decided not to proceed.

Governors noted that cyber cover appeared low, with coverage of only £250k. They asked whether the College had benchmarked its insurance arrangements against other colleges. It was agreed that feedback would be sought from other institutions to support comparison.

Action: MC

Subject to further review of terrorism and cyber cover, governors were satisfied that the levels of insurance were appropriate. Governors requested that an update on terrorism and cyber cover be provided at the November meeting.

32/25 **Discuss Effectiveness of the Committee**

This item had originally been scheduled for the June meeting but was deferred due to time constraints. The Chair invited members to share their reflections and suggestions based on the prompts provided.

Governors felt confident in their roles and agreed that the Committee was effectively supporting the Board in making informed decisions. There was no indication of concern among members, though it was acknowledged that the previous year's budget outturn had caught the Committee off guard. It was questioned whether the Committee had been adequately sighted on the issue early enough, and this had since been discussed at Corporation and FRCP meetings.

Overall, the Committee was seen to be performing well within its broad mandate. There might need to be a shared responsibility with other committees regarding HR, in particular teaching staff.

One area for improvement was the need for more forward-looking analysis, particularly regarding years 2, 3, and 4. A strategic overview of student numbers in relevant categories would help identify trends.

Action: MC

It was proposed that CZ be invited to join the Committee. CZ had a finance background and was a member of CQSE. Committee members agreed this was a great idea.

33/25 **Risk Management**

The 'Risk Register Sept 2025 FRCP Extract' (Paper 7) was received in advance of the meeting.

As agreed at the previous meeting, the following updates had been made to the register:

- Risk 15: Facility Integrity: The pre- and post-mitigation likelihood scores were increased to 4 and 3 respectively.
- Risk 16: Skills and Logistics Centre: The risk was updated to reflect the latest position regarding the lease.

It was noted that the risks around staff recruitment, costs exceeding income, and facility integrity had the highest net scores.

The risk relating to ONS reclassification, had a net risk score of 1. It was agreed that this risk was no longer relevant and should be removed.

Action: MC

The Committee discussed the risk associated with government policy and funding, which currently had a net risk score of 3. Given recent changes in funding, it was agreed that the impact should be considered higher, with the Chair suggesting a change from 1 to 3.

Action: MC

A query was raised regarding the risk of insufficient demand and whether it should sit with this Committee or CQSE. It was confirmed that the risk appeared on both registers.

34/25 Estates

a) Update on the Skills and Logistics Centre Lease

The Committee received an update on lease negotiations. It was reported that while there had been no formal change, there had been informal confirmation that it was proceeding.

It was agreed MC would seek clarification from the Department for Education regarding lease terms and funding conditions for grants.

Action: MC

Governors emphasised the need for quick progress as the lease was due to end in August 2026. It was noted that any relocation of facilities would require careful consideration of associated costs and potential new locations. There was agreement that remaining at the location was the preferred course of action but that progress was needed.

b) Estates Update

A 'Cap Ex Projects Update' (Paper 8b) was received in advance of the meeting.

The Committee received a verbal update on the heating and cooling project. It was reported that the project had gone very well and was delivered within a tight timescale. Contractors worked weekends and collaborated effectively with the College to ensure minimal disruption, allowing staff and students to return to classrooms promptly.

It was noted that undertaking such work during term time was not feasible, and future works would be scheduled for the summer period. The College was currently awaiting the final valuation for the completed works.

A question was raised regarding the potential loss of grant funding. It was confirmed that the funding would be used to purchase equipment required for the summer period, ahead of the 31st March 2026 deadline.

Governors thanked the team for the update and commented that the report had been very well presented.

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Date:

c) **Premises Security**

A 'Premises Security Report' (Paper 8c) was received in advance of the meeting. Governors noted this was a very good report and suggested annual updates.

The Committee received an update on the implications of Martyn's Law, which has been introduced to strengthen security measures in public venues, including colleges.

It was noted that the College would need to invest in a Tannoy alert system or similar app-based solution. On balance, the Tannoy system was considered more effective, as it could provide location-specific instructions. For example, advising individuals in one zone to remain in place while others might be directed to evacuate.

The system would operate through designated zones, with functionality linked to crisis management protocols. It was acknowledged that this would require updates to the College's crisis plan, policy documents, and training procedures, including drills for students and staff.

The deadline for compliance was confirmed as April 2027, providing a 24-month implementation window from April 2025.

35/25 **College Financial Handbook 2025**

A paper detailing the changes to the College Financial Handbook 2025 and a copy of the 'Letter to Accounting Officers June 2025' were received in advance of the meeting.

A concern was raised regarding section 1.7, which states that *"The Accounting Officer must take personal responsibility for assuring the Board that there is compliance with the Accountability Agreement, the College Financial Handbook, and the College's governing document (Instrument and Articles of Government)."* It was questioned whether the Accounting Officer currently provided explicit assurance of this.

It was noted that assurance was provided through the Statement of Regularity, Propriety and Compliance, although the specific wording referenced in section 1.7 had not been used previously.

The suggested text for this year's Statement did give assurance regarding the College Financial Handbook and the Accountability Agreement but did not explicitly reference the Governing Document.

Following discussion with MC, it was agreed to add a supplementary statement regarding the Governing Document to the Statement of Corporate Governance and Internal Control which was signed by both the CEO and the Chair.

A further comment was made that the fraud policy should be reviewed to ensure alignment with sections 6.6 and 6.14 of the College Financial Handbook.

Action: MC

36/25 **Key Points to Bring to the Attention of the Corporation**

- Management accounts operating procedures.
- Discussion on budget (Confidential Item).
- Premises report.
- Discussion about terrorism insurance.

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- Updates to the risk register.

37/25 Date of the Next Meeting

The date of the next meeting of the committee was Wednesday 26 November 2025 at 4.00pm.

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Date:

Summary of Actions

No.	Action	Lead	Target Date
17/24e	Circulate the Annual Procurement Report to committee members by 31 July 2024.	MC	Initial: Aug 24 Revised: July 25
5/25c	Update the Financial Regulations ready for approval at the March Corporation meeting.	MC	Mar 25
21/25b	Provide a more detailed report on planned maintenance that links to the recent condition survey and the 2025-26 budget.	LS	Nov 25
31/25	Show restricted cash alongside gross cash in future management accounts.	MC	Nov 25
31d/25	Contact the Association of Colleges (AoC) to explore the degree of risk associated with terrorism and their approach to colleges purchasing insurance cover.	MC	Nov 25
31di/25	Speak with other colleges about the level of cyber insurance cover.	MC	Nov 25
32/25	Provide a strategic overview of student numbers in relevant categories to help identify trends.	MC	Nov 25
33/25	Make the following changes to the risk register: <ul style="list-style-type: none"> Remove the risk relating to ONS reclassification. Review the risk score for the risk associated with government policy and funding. 	MC	Oct 25
34/25	Seek clarification from the Department for Education regarding lease terms and funding conditions for grants.	MC	Nov 25
35/25	Review the fraud policy to ensure alignment with sections 6.6 and 6.14 of the College Financial Handbook.	MC	Mar 26

Signed:

Date: