



**Minutes of the Meeting of the
Finance, Resources and Capital Projects Committee**
held at the College at 4.00pm on Wednesday 5 March 2025

Present: Mr P Sullivan (PS) Chair
Mr T Hayhoe (TH)
Mr S McGeoch (SM)
Ms T Aust (TA)

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
Mr A Visram (AV) Head of Finance

1/25 Welcome and Apologies

The Chair opened the meeting and welcomed everyone. There were no apologies for absence. TA attended the meeting virtually via Teams.

2/25 Declarations of Interest

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

3/25 Minutes of the Last Meeting

Minutes from the meeting of the committee held on 22 November 2024 had been received in advance (Paper 3). After making two minor amendments, IT WAS DECIDED the minutes were a true record of the meeting and they were approved.

4/25 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:

- 17/24b Details regarding the premises budgeted revenue expenditure was circulated in advance of the meeting (Paper 4) and were noted. PS commented that, due to the detail and the late receipt of the document, he would want to review it offline with MC.
- 17/24e The Annual Procurement Report would be an agenda item at the next meeting of the committee. In the interim, MC would circulate a proposed outline to PS.

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32b/24 Benchmarking data collated from 2023/24 submissions would be circulated to the committee once it was available, which was expected in April or May.

32c/24 Monthly management accounts would be circulated on a monthly basis moving forward.

5/25 Finance

a) Latest Management Accounts

'Draft Management Accounts Jan 25' (Paper 5a) was received in advance of the meeting.

The Head of Finance reported that there was a £633k deficit for the six month period but it was hoped some of this would be recouped before the end of the year. The full year forecasted operating surplus was £20k compared to the budgeted surplus of £150k. The main reason for the deficit was the overspend on staff pay, largely due to the use of agency staff. Governors commented that achieving a surplus of £20k for the year would require a surplus of approximately £653k in the second six months of the year.

The Chair of the Committee said this highlighted the need for more timely management accounts and to get in control of the amount of spend on agency staff. He was concerned about the impact of the overspend on the Barclays loan covenant. MC said the operational leverage covenant wasn't at risk and he was confident the debt service covenant would be met. Governors asked for future management accounts to include a stress test on the loan covenants so they could easily be monitored.

Action: MC

Governors asked why higher staff costs hadn't been predicted two months ago when the decision was made regarding the additional pay award. They requested a review to understand the reasons for this oversight. It was important governors could have confidence in the projections in order to make sound decisions.

Action: MC

Governors asked what factors were driving the adverse impact on staff costs and who was responsible for the decisions. MC explained that the increase was due to a high number of interim cover arrangements, a rise in long-term sickness cover, and significant use of agency teaching staff. Inefficiencies in negotiating agency staff payments had been identified, and steps were now being taken to address and rectify these issues.

Governors asked how confident the team were at bringing down the costs in the second half of the year. MC said it would be challenging but achievable.

Governors asked whether there was anything further that could be done to reduce staff costs on the back-office side. MC said the Executive Team were exploring options to reduce costs.

Governors said there appeared to have been a loss of control of agency staff and costs. They asked for some ground up projections and a report on what controls had been put in place to ensure predictions made were more accurate.

Action: MC

Segment Reporting

'Segment Reporting: Jan 25' (Paper 5ai) was received in advance of the meeting.

Higher Education

The forecast end of year contribution for Higher Education was £70k which was half of the contribution it made last academic year.

Governors asked for actual year to date figures to be included in future segmented reports.

Action: MC

Nursery

The forecast income for the Nursery was expected to be significantly higher than last year. It was hoped it would reach £528k income. Governors said this involved the use of a lot of agency staff which wasn't sustainable moving forward. The Head of Finance said the Nursery had the capacity to claw back on the adverse variances.

Apprenticeship

The Head of Finance provided a summary of the Apprenticeships position, noting a decline.

Governors asked whether the forecast was achievable. MC acknowledged that it would be challenging but remained confident that it should be attainable. Achieving a £30k increase in income in the second half of the year would require a strong number of apprenticeship starts throughout the remainder of the year.

Governors asked about cost differences between Business/IT and vocational apprenticeships. MC explained that when modelling income and planning starts, the approach considered the average funding per month across the duration of the apprenticeship, with some variances between different types.

Governors emphasised the need to focus on growth, maximising income, and minimising risk. Understanding income and cost projections was identified as a key priority.

The CEO reported that the CQSE Committee had discussed apprenticeships at their last meeting including internal actions being taken and consideration of a report from the FEC advisor. The CQSE Committee also reviewed Higher Education, highlighting the importance of aligning discussions across committees. It was noted a meeting between the FRCP and CQSE committees could make sense.

Governors said there was a need to monitor the political landscape and employer behaviour in relation to apprenticeships and to ensure flexibility in the next strategic plan to be able to enable a response to any changes.

b) Indicative Funding Allocations and Planning Parameters for 2024/25

The following papers were received in advance of the meeting: '3 Year Forecast Income and Expenditure Account' and 'Indicative Funding Allocations and Planning Parameters 2025-26' (Paper 5b). MC summarised the assumptions made in the 3 Year Forecast Income and Expenditure Account:

- 16-19 Revenue Funding: A net increase of c. £740k due to an expected 3.5% increase to national funding rates, an increased student number allocation and higher proportion of students on full-time programmes.
- High Needs funding: 9% (£310k) growth was expected.
- Adult Skills Fund: Net reduced allocations of around £330k arising from funding cuts of circa 3%.
- Apprenticeships: The draft budget assumed £70k (30%) growth.

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While noting there is uncertainty and a need for further probing before developing next year's budget, the Committee accepted the income assumptions made in the report. However, PS said the analysis being undertaken on this year's forecast should be taken into account when reviewing the Forecast Income and Expenditure Account for next year.

c) **Financial Regulations**

The 'Draft Treasury Management Policy' (Paper 5c) was received in advance of the meeting.

IT WAS DECIDED to approve the Treasury Management Policy.

The Chair would work with MC to update the Financial Regulations ready for approval at the March Corporation meeting.

Action: PS/MC

d) **Tuition Fees Policy**

The 'Draft Fees Policy 2025-26' (Paper 5d) was received in advance of the meeting. An increase of 3% in fees was proposed for 2025-26 in line with the rate of inflation.

IT WAS DECIDED to approve the Tuition Fees policy.

e) **Financial Contracts**

An extract of the College's Contacts Register (Paper 5e) was received in advance of the meeting. The following contracts were due to expire before the next sitting of the committee:

- IT WAS DECIDED to approve the spend of up to £40,000 on the franking machine lease agreement with Pitney Bowes Finance Limited for a 5 year term.
- IT WAS DECIDED to extend the cleaning services contract with Brayborne Facilities Services Limited for a further 12 months.
- IT WAS DECIDED to continue with the rolling annual contract for Student VLE for Professional programmes with Mindful Education Limited although it was noted that a new digital strategy might impact this for further years.

It was noted that preparatory work was already underway for renewal or replacement of the contracts for insurance, electricity and gas. A tender process was underway for internal audit services.

6/25 **Estates and Sustainability**

a) **Capital Expenditure Report**

The 'Cap Ex Report 2024-25' (Paper 6a) was received in advance of the meeting.

- A total of £1.1m had been spent on capital projects in 2024-25, comprising £564k in external grant funding and £517k from West Thames College funds.
- The College has allocated its CapEx budget to projects that aligned with its strategic priorities and enhanced student learning.
- In line with the College's sustainability agenda, solar panels had been installed on all available roofs at the Isleworth campus.
- Repairs to The Sunflower Building had been completed, creating additional classroom space.

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- In partnership with the local authority, the College had enhanced and increased SEND (Special Educational Needs and Disabilities) facilities, enabling it to better meet growing demand.
- Significant investments had been made at Feltham.
- Infrastructure Upgrades: The College had replaced an outdated gas boiler that was no longer fit for purpose.

In terms of future plans:

- The College had remaining Capital Grant funding, which would be used for refurbishing existing facilities, particularly improving heating and cooling systems in the Banks Building. Some of the spend would take place later than what was shown in the cash flow projection included in the management accounts.
- The College planned to continue expanding SEND facilities, with support from the Local Authority.
- A Digital Strategy was currently being developed to align with the College's strategic plan. Some investment would be required to achieve the objectives outlined in this strategy.

b) Sustainability Progress Update

The Committee reviewed progress towards the sustainability objectives:

- There had been significant savings on electricity costs and a small decline in gas consumption. It was anticipated that further savings would be made from the solar panels in the summer. The decline in electricity usage was having a positive impact on carbon emissions, bringing them well below the ambitious target set in the strategic plan.
- The College continued to use the sustainability roadmap, aiming to progress to the 'Leading' phase which would be more challenging. Governors said it would be important to consider the costs associated with achieving these targets.
- A green travel survey would be carried out before Easter to enable targets to be set.
- The College currently recycled 36% of waste and was looking at options for recycling food waste which would achieve the 50% target.

c) Update on the Skills and Logistics Centre Lease

MC reported that a positive meeting had been held with the Local Authority regarding the renewal of the lease for the Skills and Logistics Centre and confirmed the process was now underway. MC reported he should be meeting with a representative from the Hounslow Estates team shortly.

7/25 Human Resources

a) Maternity Policy

The 'Draft Maternity Policy' (Paper 7a) was received in advance of the meeting. IT WAS DECIDED to approve the Maternity Policy.

b) Paternity Policy

The 'Draft Paternity Policy' (Paper 7b) was received in advance of the meeting. IT WAS DECIDED to approve the Paternity Policy

c) Disciplinary Procedure

The 'Draft Staff Disciplinary Procedure' (Paper 7c) was received in advance of the meeting. IT WAS DECIDED to approve the Disciplinary Policy

d) Grievance Procedure

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The 'Draft Grievance Procedure' (Paper 7d) was received in advance of the meeting. IT WAS DECIDED to approve the Grievance Procedure.

e) **Anti Bullying and Harassment Policy**

The 'Draft Anti Bullying and Harassment Policy' (Paper 7e) was received in advance of the meeting.

Governors asked for Section 7 of the policy to be checked as the title appeared to relate to allegations made by students but the content referred to allegations made by employees.

Governors asked about training. MC said he believed it was already included in the Policy.

Action: MC

f) **Sexual Harassment Policy**

The 'Sexual Harassment Policy' (Paper 7f) and the 'Sexual Harassment Risk Assessment' (Paper 7f) were received in advance of the meeting. It was a new policy that had been drafted to support compliance with the new legal duty to prevent sexual harassment.

Governors asked whether it could be included in the Anti Bullying and Harassment policy but noted this had already been considered and decided to hold two separate policies.

Governors asked whether the policy needed to refer to protection for students. MC said he would check this.

Action: MC

8/25 **Data Dashboard**

The committee reviewed the relevant KPIs in the data dashboard:

- Health and Safety: Work was underway reinforcing with staff the importance of risk assessments and accident reporting. There had been a review of processes which had resulted in an increase in the number of accident reports. There had been an increase in the number of students who required a PEEP which reflected the thoroughness of the assessment process.

Governors asked if there was any quality check on the PEEPs. LS said the Estates Manager checked the PEEPs and they had been checked by the additional resource who was working with the College on Health and Safety.

- Human Resources: There had been an increase in sickness absence compared to last year which was 2.4% higher compared to same point last year. The increase was driven by the amount of long term sickness absence. Governors asked for the chart to be amended so they could compare to the same point last year.

Action: MC

- Staff ethnicity: There had been a 2% increase in the proportion of BAME staff compared to a 2% decrease in the proportion of BAME students. The proportion of BAME College Management had increased by 4%.
- Staff utilisation was at 93.3% year to date.
- Staff turnover was 9% compared to the target of 15%. This was slightly higher than the same point last year.

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- Finance: The projected financial health grade was 'good' with a score of 210.

Governors asked for a stress test to be run to identify what it would take to fall to next financial health grade.

Action: MC

9/25 **Risk Management**

A 'Risk Register FRCPC Extract Feb 25' (Paper 9) was received in advance of the meeting. The Committee noted the changes that had been made to the risk register since the last meeting and suggested the following amendments:

- Expand 'Risk 15 Facility Integrity' to cover wear and tear.
- Add a risk regarding allegations against staff or management for inappropriate behaviour.

Action: MC

The Committee discussed whether to increase the likelihood of financial risk due to the current deficit but it was agreed to review this once the ground up projections had been received.

10/25 **Strategy Development**

A 'Strategy Development Paper' (Paper 10) was received in advance of the meeting. It was agreed that committee members would meet to consider objectives for the next Strategic Plan on Friday 14 March 2025 at 2.30pm.

11/25 **Key Points to Bring to the Attention of the Corporation**

- Budget monitoring: There was a current deficit of £633k for the first six months of the year compared to a projected surplus of 20K for the full year, principally due to overspend on agency staff. The Committee requested ground up projections, a review of the use of agency staff and stress testing for the loan covenants and financial health grade.
- Risk Register: It was agreed to expand Risk 15 Facility Integrity to cover wear and tear and to add a risk for allegations against staff or management for inappropriate behaviour.
- Strategy Development: Committee members would meet on Friday 14 March to discuss objectives for the next Strategic Plan.

12/25 **Date of the Next Meeting**

The date of the next meeting of the committee was Wednesday 18 June 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: June 25
30/24	Add information to the Data Dashboard about the ratio of temporary staff compared to permanent staff, split into staff and management.	MC	July 25
32b/24	Circulate the benchmarking data to committee members.	MC	Mar 25
5/25a (1)	Include stress testing of the Barclays Loan Covenant in future management accounts.	MC	Jun 25
5/25a (2)	Review the reasons for why higher staff costs weren't predicted when the decision was made regarding the additional pay award.	MC	Jun 25
5/25a (3)	Provide ground up projections for the committee and provide an update on what controls have been put in place to ensure predictions made are more accurate.	MC	Jun 25
5/25a (4)	Add in actual year to date figures in future segment reports.	MC	Jun 25
5/25c	Update the Financial Regulations ready for approval at the March Corporation meeting.	MC	Mar 25
7/25e	Check Section 7 of the Anti Bullying and Harassment policy. The title appears to relate to allegations made by students but the content refers to allegations made by employees.	MC	Jun 25
7/25f	Check whether the Sexual Harassment Policy needs to include protection for students.	MC	Jun 25
8/25 (1)	Update the sickness absence chart on the Data Dashboard to enable governors to compare like for like data.	MC	Jun 25
8/25 (2)	Carry out a stress test to identify what it would take to fall to next financial health grade.	MC	Jun 25
9/25	Make the following amendments to the risk register: Expand 'Risk 15 Facility Integrity' to cover wear and tear. Add a risk for allegations against staff or management for improper behaviour.	MC	Jun 25

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Date: