

Minutes



Meeting	Finance and Resources Committee
Date	Tuesday 7 October 2025
Time	17:00-19:00
Venue	Google meet

Attendees:	Paul Lomas (Chair); Jason Austin; Margaret Cobb; Debbie Marshall; Kay Mulcahy
In attendance:	Phil Curtis (Executive Director of Finance and Estates; Jane Hartog (Executive Director of HR, OD and Marketing); Cath Mollart (Executive Director of Strategic Planning and Corporate Services); Dan Stanbra (VP Adult Education, Commercial and Partnership Strategy) for item 7; James Godsell (Director of Business Development and Apprenticeships) for item 6; Ian Sutherland; Sarah Connerty (Director of Governance and minute taker)

	Item	Action
1.	Welcome, introductions and apologies for absence The Chair welcomed colleagues to the meeting, and Ian Sutherland who is attending the meeting with a view to joining the Committee next term. Apologies received from the ED HR, Marketing and OD and Debbie Marshall and the Executive Director of Strategic Planning and Corporate Services did not attend the meeting.	
2.	Declarations of interest There were no declarations received.	
3.	Minutes of the meeting held on 16 June 2025 RESOLVED: The minutes from the meeting held on 16 June 2025 were agreed as a true and accurate record, subject to updating a typo on point 6 of the subcontracting arrangements item.	
4.	Matters arising Items carried from last year: Action 1 – FEEP to include financial aspects – the new lead for Estates Abi Metcalfe is working on the FEEP and this will be in place for the next Committee. Action 3 – CLOSED: benchmarking for marketing – this was considered under item 14 - benchmarking Action 4 – CLOSED: risk report and estates capital investment – there is not enough money in to meet the Group’s estate’s needs, and the situation remains amber due to reliance on government funding. Approximately £4m is needed, with the current year’s allocation at £1.7m. The Group is managing the risks around underfunding accordingly. When Dinnington is sold the requirement from the DfE is to designate the proceeds to capital funds.	
5.	Risk report The Committee has nine strategic risks delegated to it, with three above target risk appetite: <ul style="list-style-type: none"> Utilise benchmarking data to ensure adequate staffing is in place to meet teacher requirements. The ED Finance and Estates explained that the staffing risk is being managed, with sufficient staff currently in place to meet learner needs. However, the longer-term challenge lies in staff recruitment and retention, particularly in the technical and apprenticeship areas. One governor raised concerns about the reliance on agency staff and higher pay rates, particularly for apprenticeships and technical areas. The ED Finance and Estates noted that with oncosts for employed staff this can result in a neutral cost once all factors are considered. The Committee asked if staffing and teaching arrangements are fit for purpose and if there is a staffing	

	<p>complement that meets the needs of learners. It was agreed that there is further work to do on a strategy to recruit and retain good quality staff.</p> <p>The CEO confirmed that staffing levels are variable due to recruitment and sickness, adverts are currently out, and there is always a risk of understaffing. Agency staffing is a widespread issue across South Yorkshire colleges. Discussions highlighted the need for creative solutions to address the transient nature of agency staff and their higher pay expectations.</p> <p>The Committee asked if the risks around staffing address staffing at 68% of income, compared to the FE Commissioner benchmark of 65%, being mindful of the current over recruitment.</p> <ul style="list-style-type: none"> • <i>Update the Estates Strategy.</i> <p>The ED Finance and Estates provided an update on the Estates Strategy, which in future reports will include updates on the investment of allocated capital funds. Priority works include urgent roofing repairs at Dearne Valley College (DVC) and North Notts College (NNC), installation of a digital hub at Rotherham College, and resolution of fire escape and fire door issues. Projections are that critical works will cost around £2.3 million, exceeding the current £1.7 million DFE allocation, but noted that future allocations are expected to be similar or higher, potentially reaching over £2 million annually.</p> <p>There is an opportunity for rounds of capital bidding. Levels of funding are pending but it is likely to be similar to previous rounds. EBITDA may be needed for match funding and use of S106. One governor asked about the Group's readiness to utilise capital funding. The Group is in the final stages of pricing projects and has a clear plan for spending the allocated funds. One governor asked about the backlog maintenance, asking if there's a condition survey of buildings and if the capital is allocated is based on critical infrastructure risk. She shared the process at the NHS where a conditions survey looks at aspiring for all estates to be at a certain level. The aspiration is to improve buildings from categories D and C to B, and the ED Finance and Estates confirmed that DfE funding is based on survey results, with the 2019 survey indicating a £20 million backlog. The Group is awaiting results from the latest critical infrastructure surveys and allocations. ACTION: Once this is received the Committee noted it would be useful to know how much of the works relate to critical infrastructure, and what risks is the Group sat on.</p> <ul style="list-style-type: none"> • <i>A clear, transparent and flexible AI policy by July 2026</i> <p>A further 16 risks are being reviewed by the Heads of IT and Estates, these risks are currently blue because they have not yet been measured.</p> <p>The Chair noted that Audit and Risk Committee have recently reviewed the risk register. The ED Finance and Estates noted that the full register including environment and sustainability and AI will be include for the Board.</p> <p>An Executive Risk Committee has been introduced with the first meeting on 13 October. Terms of reference have been finalised, and the aim is to ensure internal and external audit actions have been completed, the Group has discharged duties effectively and the risk management framework is effective. The first meeting is to go through outstanding actions and to review the current strategic risks. Changes around Ofsted will be considered.</p>	ED Finance and Estates
6.	<p>Apprenticeship update</p> <p>The Head of Business Development and Apprenticeships provided an update:</p> <ul style="list-style-type: none"> • Targets were met last year with 502 learners against a target of 501, although finance was slightly behind target by approximately £50k, but £300k above last year. The financial shortfall was attributed to fewer Level 3 Engineering apprentices due to GCSE pass rates in maths. • There have been issues with the late enrolment of learners for the current academic year due to issues with a new CRM system. The are currently 80 against a profile of 222. This delay will shift some income to the next academic year. The Committee asked for further details. Delays in paperwork meant on-program payments couldn't be drawn down until later in the year, impacting this academic year's finances but ensuring eventual payment in the next year. The team have pulled together with over 200 learners inducted last week. Learners have started in college with non-accredited 	

	<p>learning. The ED Finance and Estates will look at the rules around accruing income for learners who have started on programme. The Committee asked for assurance that this was a one-off issue. It was a one-off due to the new system, but highlighted capacity issues and the need for automated enrolment systems which are being investigated. Implementing new systems poses a financial and operational risk due to potential budget implications and integration challenges and it will be important to work together on this across teams</p> <ul style="list-style-type: none"> • There is a further February intake of three new groups and the final Level 7s start in December • There is a 56% contribution from apprenticeships towards staffing costs, exceeding last year's figures • ACTION: One governor requested that future papers identify risks such as staffing retention and the automation of enrolment processes • The link governor for apprenticeships noted the risk around staffing and retention and whether anything can be done by the Group around bonuses. <p>The Committee thanked the Head of Business Development and Apprenticeships for the update and the good work being done by the team.</p> <p>The Chair noted that an overhaul of papers, summary papers and dashboards, with clear narrative highlighting the risks for governors was being rolled out this year with Finance and Resources being a pilot for next term. The aim is to support governors to be more effective and look at the strategic risks rather than operational details.</p> <p>[The Head of Business Development and Apprenticeships departs: 17.31]</p>	Head of Business Dev and Appr
7.	<p>Adult Education and Contracts update</p> <p>The VP Adult Education, Commercial and Partnership Strategy provided an update:</p> <ul style="list-style-type: none"> • There is positive news regarding the 24-25 Adult Education Budget (AEB) allocation, with the full £7.5 million realised due to agile curriculum offerings, responsive stakeholder engagement, and rigorous subcontractor management • A lot of work has been done to meet stakeholder requirements • Learning from past experiences, the Group has carefully planned SYMCA and EMCCA allocations for 25-26, including a realistic profile for EMCCA despite reduced non-devolved funding. The Group has leveraged additional funding for Tailored Learning and Free Courses for Jobs • There are three separate funding sources for Adult Skills Funding, and the team are carefully managing and monitoring the risk • A risk being mitigated is an increased scrutiny focusing on month-by-month performance against delivery plans, which adds a challenge to hit allocations monthly, but is being actively managed • One governor noted the benchmarking data which shows the Group do significantly more than others in adult funding from SYMCA, with a significant Tailored Learning allocation • One governor asked if the ceiling collapse at NNC has been a challenge for delivery of provision. It has been and it is a priority with work already underway and will be completed by after October half term <p>The Committee thanked the VP Adult Education, Commercial and Partnership Strategy and his team for all the great work.</p> <p>[VP Adult Education, Commercial and Partnership Strategy departs:17.38]</p>	
8.	<p>IT and Digital Strategy Strategic Plan review</p> <p>The CEO provided an update on the Plan, highlighting additional priorities for the upcoming year and acknowledging the significant investment required for IT and digital. The ED Finance and Estates noted that limited funds mean some investment will need to be self-funded through EBITDA, and while the £1.7 million allocation can cover IT infrastructure, it does not cover</p>	

	<p>software or computer systems. The sale of Dennington could potentially provide capital for some IT needs.</p> <p>Following on from the Strategy Day specific areas of focus which will be prioritised for the academic year 25/26 have been added: Using IT/Digital to: Enhance the learner experience. Foster innovation and growth. Enhance a digital first culture. Strengthen community and business partnerships. The next review will take place in October 2026.</p> <p>ACTION: The Chair reported that he would pick up with the ED Strategic Planning and Corporate Services how technology could support the effectiveness governor roles</p>	Chair
9.	<p>HR report – as this was an item for the Board strategy day on the 23 September and the next report – HR annual report - will come to the November Committee The Chair noted that key areas like retention, turnover, sickness, and the staff survey had been covered at a previous strategy day.</p> <p>ACTION: The Chair will take forward with the ED HR, Marketing and OD a long-standing action to schedule time for governors to complete the Insights programme, aiming to improve collaboration between governors and the executive team.</p> <p>The CEO highlighted key HR issues including rising agency costs, the inability to match school salaries, and significant challenges in recruiting math and English staff due to a further 550 16-18 learners. The ED Finance and Estates noted the announcement of bursaries up to £31,000 for teachers in STEM subjects.</p> <p>One governor asked about offering incentives or bonuses to staff for apprenticeship achievements, which the CEO noted unions are against, but assessors could be looked at. The Chair reported that nothing should be off the cards in terms of strategies to aid staff retention, acknowledging the itinerant nature of agency staff but also the need for their consistent presence. One governor noted that growing apprenticeship provision would exacerbate staffing issues. The Committee agreed that in most colleges' agency is a high pay cost. Any decisions to address should be across the regions and could be included in the agendas for the new Construction technical excellence colleges.</p>	
10.	<p>Estates Report The ED Finance and Estates presented the estates report. The new Director of Estates, Facilities and H&S is familiarising herself with the Group and thanks were given to a governor for sharing the NHS template for the report. Governors and staff gave positive feedback on the new Director for her enthusiastic and positive start which the ED Finance and Estates will pass back.</p> <p>Updates on the Dennington sale have been delayed due to external partners, with bids expected next Monday and negotiations extending beyond that date. The ED Finance and Estates noted significant interest from 14 parties. Two open events have taken place. ACTION: an update to come to the Board on the 22 October. One governor asked about the timescale for a sale which could take up to a year to resolve the legal implications.</p> <p>Future reporting will include proposals for investing in DfE's College Condition Allocation (£1659896). As part of the budget setting £1m has been allocated to support estates and IT. The Group's security function has been brought in house and went live on the 6 October. There is a lot more engagement and noticeable improvements. New postholders will have full training with a pastoral focus. The staff governor and Chair noted the positive interactions with security staff, staff and students.</p> <p>The ED Finance and Estates addressed concerns about CCTV outages giving assurance that this has been escalated and a resolution is expected this week.</p>	ED Finance and Estates/ CEO

	<p>Feasibility and affordability works are underway for a digital hub at Rotherham, Wifi and switching, replacement of end-of-life flat roofs. An operational budget will be included in future reports.</p> <p>Health and Safety update This was noted in page 8-9 of the Estates report.</p> <p>a. Further Education Estates Planning (FEEP) compliance Work for the next meeting will include ensuring the financials and capital expenditure are included in the FEEP. FEEP compliance has fallen to 78% due to staffing changes and contractor reporting, with a number of reports and updates due on the Every system. The asbestos annual review is underway with a report due in half term. An area of ceiling collapsed at NNC, no asbestos was found in the ceilings and managed remedial works are taking place. One governor suggested further work is needed on the FEEP around the why and what compliance and non compliance of items means for the colleges. ACTION: As link governor for E&S and H&S a meeting will take place with the new director to take forward questions offline.</p>	<p>ED Finance and Estates</p> <p>Dir of Gov/KM</p>
11.	<p>Environment and Sustainability update One governor questioned what progress is being made on environment and sustainability matters. The ED Finance and Estates noted that surveys by Eddisons have been completed, and the new Director has met with Eddisons and is pulling the reports together. Eddisons had been engaged to lead on the Salix funding which has now been withdrawn from public sector applications, and the Group is awaiting announcement of future funding opportunities. Environment and sustainability is taking place in the curriculum and this needs to be reported on. Further work is needed on the consumption and metrics of key E&S items, and short, medium, and long-term ambitions, against prioritisation and critical need.</p>	
12.	<p>Finance Report and July 2025 Management Accounts The ED Finance and Estates reported a positive financial year, with EBITDA exceeding expectations by nearly £300,000 and a strong cash position forecast to be greater than the target of £3m. The Group has met AoC/DfE targets, with the exception of cash days in hand which was increased this year to >40 days. The Group is looking at ways to address this. The Chair noted he was attending the Andrew Tyley Finance Masterclasses which focused on the importance of cash days in hand as an important indicator for colleges.</p> <p>While additional pay costs were incurred, they were within the additional income received. One governor raised a concern about FE income being down on budget, and the ED Finance and Estates explained that more courses are now funded through other provision such as apprenticeships, and this has been recognised as a risk for future budgets.</p> <p>Financial Health is Good and the Committee asked what the sensitivity is around Requires Improvement. The ED Finance confirmed that financial health is sensitive to changes with EBITDA at 5.1%, and a £100k drop in income could lead to a drop in points. It was agreed there is little leeway despite currently being in the Good category. The Committee stressed the importance of avoiding Requires Improvement and there was a discussion on staff costs at 68% of income. The Group is carrying more staff than planned because of growth above planning and the increased requirements for SEN and English and maths support. In terms of benchmarking the Group is around the same as other colleges, although the data set from the DfE has so many variables to consider, for example a college delivering A levels will require less staffing. It was agreed it is about seeing everything in the round and keeping the big overall picture in mind. The Committee agreed that it is difficult with growth as the Group has to invest to provide the right student experience.</p> <p>One governor questioned if support functions and costs have been thoroughly reviewed for cost-saving opportunities, noting that benchmarking doesn't provide this granular detail. The ED Finance and Estates suggested that some savings might come from non-staffing areas and that there is more work to be done in contract management and procurement. The Committee noted that the Group's success in increasing learner numbers, significantly exceeding sector growth, is attributable to marketing efforts. This is against a benchmark of ONS birth data of 6%</p>	15 mins

	against 16%. Companies such as Hayes provide further detail but it doesn't just include colleges and the Committee questioned whether this was the right area to put its energy into.	
13.	<p>Annual Procurement Report 2025</p> <p>The ED Finance and Estates reported £27m has been spent on procured services, with savings of £200k in the last financial year through smarter purchasing. There are ongoing efforts to drill down into estates-related contracts to identify further savings, as many contracts have been left to roll on, often incurring higher costs. Staff are much better at recording on the system. The Group reviews all contracts to realise value for money.</p>	
14.	<p>Benchmarking tool</p> <p>The ED Finance and Estates reported that the tool provides data on all colleges for staffing and financial data for the year 2023-4.</p> <p>The key conclusion is that the Group's total expenditure on staffing is in line with benchmarking at 68%.</p> <p>Financial savings could be explored on non-staff costs and there is more work to do in improving contract management and procuring better.</p> <p>The Group can do better, noting it is recently out of intervention and should be able to achieve the FEC benchmark of cash days of >40 in future financial years.</p> <p>The Committee noted it was important to remember it is a three-college group which brings extra costs and noted the challenge of benchmarking with so many variables.</p>	
15.	<p>1. Business Continuity, Disaster Recovery and Emergency Plan carried to the next meeting</p> <p>The ED Finance and Estates reported on the Plan, which was enacted during a partial ceiling collapse at NNC, and its effectiveness in managing risk and ensuring the continuation of essential teaching and learning. One governor asked whether the plan considers <u>Martyns' Law</u>. It is not yet integrated but is being reviewed as part of an updated safety and security policy, with the Group's security manager who has a background in counter-terrorism.</p> <p>Preventing Hidden Labour Exploitation annual statement</p> <p>The Committee considered the annual Preventing Hidden Labor Exploitation Statement, a legal requirement for the Group that is signed annually by the CEO and Chair.</p> <p>RESOLVED: The Committee recommended to approve the Preventing Hidden Labour Exploitation annual statement to the Board, confirming there were no changes from the previous year's signed document.</p>	
16.	<p>Minutes and feedback from task and finish groups:</p> <p>1. RES Board meeting – 17 June 2025</p> <p>2. NFPC Board meeting – 16 July 2025 and 2 October 2025</p> <p>The CEO reported that the NFPC has had its best year ever, in excess of £1.5m, with lots of new and repeat business. The challenge is around attracting staff in the field and limitations on space. Recruitment is out now. The Centre has a different salary scale from the rest of the Group. One governor asked if the Centre will pay the loan back and the CEO confirmed that the Board resolved to do that. Membership is good and quorate with a mixture of RNN Group and independent directors. A new memorandum has been drafted by Eversheds, which gives greater protection for the Group now that it has moved into the public sector and this will come to the Directors and the Board in December.</p>	-
17.	<p>Governor visits and link governor feedback (standing item)</p> <p>The link governor adult contracts and apprenticeships reported that she had spent time with the VP Adult Education, Commercial and Partnership Strategy and his team and attended various meetings. The team are doing a good job.</p> <p>The EMCCA and SYMCA contracts had changes post signing which has caused some issues and there should be clarity before contracts are signed.</p> <p>The link governor for Health and Safety has been in close contact with the Head of H&S and has dates planned in to attend college H&S meetings.</p> <p>The Chair attended two of three CEO all staff addresses at the start of term which were very well attended and positive sessions, with good feedback and a feel-good factor at the start of term.</p>	-

	<p>The Chair and CEO met with Karen Sherry, the Deputy Director of the Place Based Team within the skills division within the DfE. Karen looks after 80+ colleges. It was a positive visit, touring the new facilities, visiting T Level childcare, end point assessment areas, and meeting students. After a visit to the theatre, creative potential opportunities were discussed. There was a discussion about the joint venture and following this there has been a meeting, with the DfE happy to receive an updated application for the joint venture.</p> <p>A wide programme of class visits is taking place after half term until Christmas with a focus on inclusion and the DCEO has encouraged governors to join.</p>	
18.	<p>Contracts over £250k for approval The ED Finance and Estates reported that a print services contract was approved over the summer. Upcoming contracts will be around capital and student records software. There were no contracts for approval.</p> <p>Use of the Group Seal The Director of Governance reported that EMCCA required the use of the Group seal on its contract this year. The Chair noted that the Board would take requests for use of the seal on a case by case basis.</p>	
19.	<p>Finance and Resources Committee membership The Chair updated the Committee on the ongoing search for a Chair and a co-opted financially qualified governor for the Finance and Resources Committee, with interviews provisionally set for November 4. Ian Sutherland expressed interest in joining the Committee, and Sohil Zokari has requested a transfer from Audit and Risk to Finance and Resources Committee, which the Chair will discuss with the Chair of Audit and Risk Committee. There was a discussion about additional governors and the importance of bringing in governors from the North Notts region.</p>	
20.	<p>Any other items There were no items raised.</p>	
21.	<p>Dates of next meetings: Thursday 20 November 2025 – first item only 17.10- on annual accounts joint with Audit and Risk Committee Tuesday 2 December 2025 Wednesday 4 March 2026 Wednesday 17 June 2026 All 17.00 start</p>	

Meeting closed: 18.40

Changes to the cycle of business 2025-6:

Items carried to 2 December 2025:

1. HR annual report due to inclusion of HR matters on the Board Strategy Day on 23 September 2025
2. Business Continuity, Disaster Recovery and Emergency Plan due to update of plan following roofing incident and new lead for Estates starting in role
3. Review of capital proposals for 2025-6 due to ongoing work with estates and IT
4. Health and Safety annual report due to new lead for Estates starting in role

Items added:

5. Inclusion of benchmarking tool report – action from previous meeting
6. Inclusion of committee membership update from the Chair