Agreed by the Committee 11/12/2025

FINANCE COMMITTEE

Minutes of a meeting of the Finance Committee held on Thursday 16 October 2025 starting at 12.15 by teleconference (Microsoft Teams).

PRESENT

Claire McCafferty (Chair)
Richard Cooksey
Kit Davies (Chief Executive)
Paul Harte (Group Finance Director)
Philip Moore

IN ATTENDANCE

Lizzie Jones (Corporate Services Director)
Robert Dale (Company Secretary)

WELCOME

- The Chair welcomed Florina Popa, Head of Finance, to the meeting as part of her professional development.

ITEM 1A: APOLOGIES FOR ABSENCE

- None.

ITEM 1B: DECLARATIONS OF INTEREST

- None.

ITEM 1C: MINUTES OF THE PREVIOUS MEETING

- Minutes of the meeting held on 1 May 2025 were approved as a true record of proceedings.

ITEM 1D: MATTERS ARISING

- Actions identified in these minutes had been addressed as follows:
  - Amend the Management Accounts report to show percentage variances in the variance table. **Action complete**. The income and expenditure table in the .
  - Update the P9 reforecast to take account of the Finance Committee's guidance. **Action complete**. The P9 reforecast had been revised and subsequently further updated to take account of how the final month of 2024/25 progressed.
  - Adjust the Budget proposal paper as advised by the Finance Committee. **Action complete**. The paper had been revised and presented to the Board on 14 July 2025, when the 2025/26 budget was approved.

ITEM 2: 2024/25 YEAR-END UPDATE

- Although the reported figures remained provisional until the completion of the audit, there had been a strong cash position at the year-end and throughout the year, even if restricted capital funds were excluded, and another positive EBITDA (the figure which

DfE and commercial lenders regarded as most important) had been delivered. At the end of the year, the outstanding loan balance with Lloyds Bank (due to be fully repaid during 2026) was repaid early, leaving the college with no borrowing. An operational EBITDA of c£3.4m could be shown [redacted] The college had generated a positive EBITDA annually since 2018/19.

- Final submissions in respect of DfE income streams would be made on 23 October and the final audit would begin on 3 November, leading to a clearance meeting on 20 November. The draft Annual Report and Accounts would be considered by the Audit Committee on 3 December 2025 for review/recommendation to the Board meeting on 10 December, when final approval will be sought.

- Governors welcomed the excellent 2024/25 results, noting a good financial surplus, strong liquidity and a very good financial health rating. The approach to making provision for dilapidations in full this year (creating potential headroom in the 2025/26 budget that might permit a surplus to be achieved instead of the forecast deficit) was a reasonable one.

Question: *What actions were being taken to seek to deliver an EBITDA at or close to the DfE's top benchmark figure of 6%; this year's EBITDA of 3.9% was good, but could further progress could be made?* Both 2024/25 and 2025/26 were 'exceptional' years in that they involved significant one-off costs, whether these were dilapidations associated with exiting leased premises at Fulton Close, or the additional rental expected for the final year of occupation in those premises. The 6% target could have been aspired to this year without the provisions made and there was a reasonable chance of doing so if not in 2025/26, then certainly in the following year, when lease costs would be substantially lower.

- **The Finance Committee accepted** the report **and congratulated the team** on achieving an excellent provisional year-end position.

ITEM 3: P1 (AUGUST 2025) MANAGEMENT ACCOUNTS REPORT

- The first month of the new academic year, mostly consisting of the summer break, was always a relatively light report. It followed on, of course, from the strong 2024/25 outturn, so the cash position of £13.2m (including £7.4m of restricted capital funding) was a record, The 'free' cash amounted to £5.8m As much as was prudent had been placed in interest-bearing accounts to generate some additional income, taking account of the expected spend profile for the forthcoming capital works.

- Enrolment onto all delivery programmes was on target or better, in particular, 16-18 full time study programmes. Although the number of these students was expected to decline from the current level, as some learners decided that college was not what they anticipated, the number retained at day 42 would (a) create the potential for additional in-year funding in 2025/26; and (b) provided the basis for next year's funding for this delivery. As in-year funding had not been budgeted for, this would improve the 2025/26 outcome if received.

- The P1 year-to-date position was c£600k better than budget (although this positive variance was likely to narrow).

Question: *Were there any resource constraints because of the increased number of students on full-time programmes?* For the most part, the additional student numbers had been accommodated without the need to recruit additional staff, although there were a small number of extra groups at the Engineering and Construction Campus (ECC). The staff/student ratio was being managed closely so as not to overload teaching and support staff. Classes were full and sites were busy but the situation was manageable.

Question: *What implications were there for the future use of the Town Centre Campus (TCC) given that its footprint was smaller than the existing premises?* This would represent a challenge to be managed; it might well be that recruitment would need to be planned differently next year with some courses closed when capacity had been reached. The college would still have access to Unit 6 and there were also plans to convert some classrooms on the main campus to electrical workshops.

Question: *Now that the college had achieved its goal of financial stability – at least for the present – what more business insights could be incorporated into financial reporting, to help understand the business and make more informed choices?* There were some examples that came quickly to mind, such as the balance between the higher funding associated with SEND and Additional Learning Support (ALS) delivery, and the cost of provision, or the different contributions achieved at each campus or by each curriculum area. This would be considered.

Action: Reflect on incorporating different data analysis and business into future management accounts reporting.

Question*: How was the college managing the reduced value of adult skills funding in 2025/26?* The main impact had been that the value of sub-contracting had been reduced from £1m to £250k and less had been allocated to The Skills Network (TSN) – our partner. A greater proportion of delivery would therefore be in-house and this generated a better contribution.

- **The Finance Committee accepted** the report.

ITEM 4: MAJOR PROJECTS REPORT

- Governors noted that work on the Indoor Marketplace project was being managed by Stevenage Borough Council as the refurbishment works were considered 'Landlords Works'. Procurement had gone well with 40 expressions of interest, 25 responses to the PQQ, six invitations to tender and four actual submissions. A preferred supplier had been identified and was now progressing through the council's approval procedure, aiming to confirm the appointment on 24 October 2025.

- Tenders had come in within the cost envelope available and with a project timescale enabling a phased handover between May and July 2026. This would provide adequate time for decanting from the ECC in time for the start of the 2026/27 academic year. The Curriculum and Estates teams were working together on plans for the decant and dilapidations project which would enable exit from Units 1 to 5, Fulton Close while minimising cost risks. This included considering, for example, whether brickwork learners could be completed earlier in the academic year to release Unit 5 by May 2025.

- Work had also gone ahead to consider communications and branding for the new location – because promotion of courses for 2026/27 would need to start shortly. The proposed name for the new location was the Town Centre Campus (or TCC).

- The college would commission work to address the Dilapidations at Fulton Close and would be tendering for a contractor with an expected award early in 2026 and the majority of works taking place between May and August 2026. Some minor works would be handled in house.

- At the same time, the main programme of condition improvement works was being commissioned, working with Willmott Dixon who would project manage this programme and had access to a Procurement Hub. The scope of works had been agreed and the cost estimate cashflow indicated that the necessary spend of £6.4m

would be achieved by the 31 March 2026 deadline. This was on schedule and no key risks to achievement had been identified.

Question: *Was there any spend deadline associated with the Marketplace project?* Stevenage Borough Council was using Towns Fund money which had to be spent by 31 March 2027, so there was no risk to the project.

Question: *Were there any concerns over the capacity of the in-house team to cope with the large number of concurrent projects?* It helped considerably that Stevenage Borough Council was leading Marketplace project, and that Willmott Dixon would provide project management for the condition improvement programme. External support had been drawn in to help the in-house teams. The biggest challenge for those teams would be managing the dilapidations and decant plans to minimise the impact on teaching and learning. Curriculum and support teams were working together on this.

- **The Finance Committee accepted** the report.

ITEM 5: AUTHORISATION LEVELS/BANK AND CREDIT CARD SIGNATORIES 2025/26

- This paper comes to the committee annually and shows the number and distribution of credit cards and their associated authorisation levels for 2025/26. The Financial Regulations require approval of this list by the Finance Committee as part of its oversight duties.

- **The Finance Committee approved** the proposed list of credit card holders and authorisation levels for 2025/26.

ITEM 6: ANY OTHER BUSINESS

- None.

ITEM 7: DATE OF NEXT MEETING

- The next meeting was scheduled to take place on Thursday 11 December 2025, starting at 15.00, by videoconference (Microsoft Teams).

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ACTION LOG Date

Meeting	Minute Reference	Summary of Action	Who	When
16/10/25	3.	Reflect on incorporating different/additional data analysis and business insights into future management accounts reporting.	Paul Harte	30/11/25