Agreed by the Committee 5/2/2026

FINANCE COMMITTEE

Minutes of a meeting of the Finance Committee held on Thursday 11 December 2025 starting at 15.00 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) and Ania Dylewska (Finance Business Partner) to the meeting as part of their 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 16 October 2025 were approved as a true record of proceedings.

ITEM 1D: MATTERS ARISING

- Actions identified in these minutes had been addressed as follows:
  - Reflect on incorporating different/additional data analysis and business insights into future management accounts reporting. **Action under way**. This work was under way following the completion of the 2024/25 year-end process.

ITEM 2: P3 (OCTOBER 2025) MANAGEMENT ACCOUNTS REPORT

- At the end of October, the cash position remained very positive with more than £10m on deposit, one tranche of £5m maturing at the end of December. Investment was being managed carefully to ensure cash was available when it was needed, and it was expected to generate c£230k of unbudgeted interest across 2025/26.

- A proportion of the current cash holdings related to restricted capital funding – a large part of which would need to be spent by 31 March 2026, but ‘free’ reserves nonetheless amounted to over £7m.

- At the end of October and Q1, all revenue lines were ahead of profile by c£1m. Much of this related to the early delivery of Adult Skills Fund (ASF) outcomes, and this also meant that some costs were also higher than profile. These variances would diminish as the year progressed. Apprenticeship revenue had also got off to a good start, although it was important to note that the profile had been cautious and this variance too was likely to narrow during the year.

- Pay costs were better than budget. This largely reflected some delays in recruitment and a small number of vacancies. The overall vacancy position was better than had historically been the case.

- Overall, the profile forecast had been for a loss at 31 October of c£926k, but the actual loss had been c£90k, £835k better than profile.

Question: *What was the minimum liquidity threshold for the Group?* The aim has to have enough cash in hand to cover two months operational expenditure. It was important to note that payments of funding from DfE were reliable and predictable, which helped manage the position. Governors also noted that the 2024/25 Post-audit report from Buzzacott included some benchmarking data from the sector covering cash days in hand. The Group had 151 cash days at the end of 2024/25, which compared with the GFE average of 113 and the average of Buzzacott colleges of 106.

Question: *Would the positive apprenticeships variance diminish as the year progressed?* That was the expectation. Revenue for the first few months had been profiled cautiously.

Question: *Were there any concerns or risks arising from the underspend on pay costs?* There was always some need for agency cover during the year, and a budget in place to meet that need. Agency cover was more expensive than directly employed staff, so it was important to manage the recruitment process effectively. There were no material concerns at present, and although there were a small number of hard to fill roles (eg electrical tutors) this was a reflection of the general market condition, not an issue with the college's offer. Managers use monthly payroll trackers to monitor staff resources and there is a well-controlled process for justifying new or replacement posts, with the CEO scrutinising requests from the Directors.

Question: *Was the overspend on exam costs a profiling/timing issue?* Yes.

Question: *What were the implications of the continuing challenge in recruiting to T-level programmes?* In the present year, there were no implications, as the budget had always assumed under recruitment and therefore allowed for clawback. In the longer term, and probably as part of the curriculum reform discussions, consideration would need to be give to which programmes worked as T-levels and which did not. Science, for example, did not work, whereas healthcare - as evidenced by the strong recruitment to the NHC programme – clearly did. A Creative Industries offer was launching in September 2026 and it would be interesting to see if this was popular as well.

Question: *What did the initial review of November figures show?* All figures had been reviewed except those for apprenticeships would be available soon. The position remained positive. The delivery of ASF outcomes was well on track, with £1m of the £1.8m allocation to TSN achieved by the end of December and overall banked and on programme learners taking delivery beyond the 97% clawback threshold at the end of the year. This gave the chance for over-delivery, as well as more security towards the end of the academic year.

- The Committee was delighted that the strong performance in 2024/25 was continuing into 20265/26.

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

ITEM 3: MAJOR PROJECTS REPORT

- Works being co-ordinated by Willmott Dixon on the Stevenage and Hitchin campuses were progressing at pace, with approximately £3.5m to have been spent (and 'claimed' with DfE) by the end of December and the remaining c£3m to be spend by 31 March 2026. This work was on track.

- R G Carter, the contractor selected by Stevenage Borough Council to complete the refurbishment of the former Indoor Marketplace (to become the Town Centre Campus) had gained possession on 24 November and had begun work on the asbestos survey and strip out of the old market stalls. This was progressing in line with the programme and no issues had been identified to date. Monthly updates would be shared with the committee in future. The scheduled completion date was 3 July 2026. The decant from Units 1 to 5 at Fulton Close would take place thereafter.

Action: Provide monthly updates from R G Carter on progress with the Town Centre Campus refurbishment to future committee meetings.

- Lease negotiations with the landlords at Fulton Close had concluded with rents for Units 1 to 5 (two years with a tenant only break giving six months' notice (ie by 28 February 2026) costing just under £800k ex VAT. The lease for Unit 6 would run for five years at an annual cost of just under £200k ex VAT.

- Endeavours continued to be made to establish with the landlord what they would wish to see undertaken in respect of dilapidations. [redacted]

Question: *What new risks had been identified, if any?* Dealing with the existing services at the former indoor marketplace in a way that did not interfere with the continuing operation of the car park was something the project team was grappling with and had been added to the project's risk register. The £6.4m overall spend on condition improvement works included some provisional sums, so there was some risk to the cost, but this was also being managed within the project plan. Existing risks around the presence of asbestos and the unknown issues that might emerge when market stall infrastructure was removed were being managed within fortnightly project meetings.

Question: *Was the marketplace project on schedule?* Yes, the work was on schedule at present, though it was early days.

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

ITEM 4: ANY OTHER BUSINESS

- None.

ITEM 5: DATE OF NEXT MEETING

- The next meeting was scheduled to take place on Thursday 5 February 2026, starting at 15.00, by videoconference (Microsoft Teams).

ACTION LOG

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
11/12/25	3.	Provide monthly updates from R G Carter on progress with the Town Centre Campus refurbishment to future committee meetings.	Lizzie Jones	23/01/26