Agreed by the Committee 25/6/26

FINANCE COMMITTEE

Minutes of a meeting of the Finance Committee held on Thursday 16 April 2026 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)
Lorna McCallum (Executive Director- Apprenticeships and Partnerships)
Robert Dale (Company Secretary)

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 5 February 2026 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 is ongoing.

- Arrange a meeting with the Committee Chair to discuss how to approach a refreshed report with enhanced analysis/presentational features for the Committee. The Committee Chair will also provide, for consideration and discussion, some examples of how the 'top-level' financial information might also be presented. **Action under way**. The Chair and Finance Director were arranging to meet.

ITEM 2: MID-YEAR REVIEW

- The paper presented the latest forecast outturn for the year end. The budget was for a deficit of £303k, albeit including a contingency and taking account of cost uncertainties such as dilapidations works at Fulton Close. The July 2025 Board meeting had been advised that excluding the exceptional one-off items, the budget would have shown a surplus of c£607k. The current forecast was for a surplus of £912k, or c£1.2m better than budget. Forecast EBITDA was now at £2.4m vs the budget of £1.2m.

Question: *Where were the financial risks in the remainder of the year?* There were some risks in the agency cost line. Otherwise cost risks for the remainder of the year were moderate.

Question: *While pleasing to see such an improved position, where had the budget been too prudent?* The forecasting of Adult Skills Fund (ASF) delivery had been profiled cautiously and the positive variance against profile was expected to narrow. However the budget had not assumed 'over-delivery' of ASF outcomes. Because sub-contractors and partners had acted very swiftly to get delivery under way in the autumn term, this had created room now to forecast an outturn of 110% of budget.

Question: [redacted]

Question: *When preparing the next budget, should several scenarios be developed to illustrate the potential range of revenue outcomes?* It would be helpful to explore this during this year's budget process.

Question: *What effect would the current whistleblowing investigation have on the forecast?* There would be some additional costs, such as from the Scrutton Bland investigation, and the need to appoint agency staff to cover the teaching of those suspended while under investigation. However, these would not materially impact the forecast out-turn.

- Governors were pleased with the improved year-end forecast.
- The Finance Committee accepted the report.

ITEM 3: P7 (FEBRUARY 2026) MANAGEMENT ACCOUNTS REPORT

- This report continued the run of positive monthly management accounts reports, and governors received an update on the position as at P8 (March), the report for which would be published shortly. Financially, the picture is very positive, with revenue and non-pay cost lines both better than budget; the pay cost line was slightly worse than budget (c£16k) because of higher than forecast agency costs. The paper set out the different positive and negative variances that contributed to the overall year-to-date position. Governors noted that the YTD (31 March 2026) EBITDA was £1.6m vs the budget of (£0.2m).
- Governors felt it would help narrative reporting to distinguish between year-to-date (YTD) performance likely to result in an outturn better than budget and performance that was simply ahead of profile. Of course, there might be occasions when both were true, but using 'better than budget' for the former and 'ahead of budget' for the latter would add clarity.

Question: *Would the recruitment challenges for Motor Vehicle and Electrical tutors have long-term challenges?* A recruitment and onboarding programme was being developed to support people transitioning from the trades into teaching; this had not previously been available.

Question: *How could suitable candidates be attracted?* We already had some prospective candidates but had not been able to help them prepare for teaching and assessment. Some of the reported vacancies had also been filled which would help with future agency costs.

Question: *When would the transition programme be ready?* It was being scoped at present; once that work had been completed, a clearer sense of how long it would be before it was ready could be gained.

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

ITEM 4: MAJOR PROJECTS REPORT

- The several major capital projects remained on track. At the Town Centre Campus, the contractors working on behalf of Stevenage Borough Council (SBC) were on track to meet the revised programme and handover date of 11 August 2026. Discussions have taken place over decanting equipment from Fulton Close from mid-June and installation timelines were currently being discussed for new equipment.

- Tenders for dilapidations works at Fulton Close had just been received and were within the budget provision.

- Discussions with the new landlord at Fulton Close continued. We had sought Counsel's Opinion on questions concerning the calculation of 'interim rent' – which would payable when no new lease can be agreed. Initial advice from our surveyors (Berrys) and solicitors (Howes Percival) is that the way in which interim rent is calculated could result in a substantially lower cost to NHC than we had provided for in the budget based on the landlord's offer made at the end of last year [redacted]

- The £6.4m DfE Capital funding allocation has been spent on works across our owned campuses before the clawback deadline of 31 March 2026. Other capital allocations have spend deadlines in 2028 and 2029. Staff believed that the way in which the latest allocation had been calculated needed challenging as it appeared that some of the college's students had not been included in the total used to determine the value of funding.

- In addition, the County Council was discussing with the four Hertfordshire colleges whether there were any capital developments that it could support, aimed at addressing the growth in demand for places for learners with additional needs. There were plans for adding workshop and classroom space at Stevenage which had been put forward and the outcome was expected to be known by the summer. This was very speculative at this point, but it was good that the colleges had been approached by the local authority, as it had hitherto committed all of these funds to schools.

- Some additional DfE capital funding routes had been opened, with similar terms and conditions to those applying to the previous grants (ie not on leased premises except those on long terms and at peppercorn rents). There were also prescriptive purposes and tight timescales. At this point, the project with the biggest chance of success would relate to works to facilitate the move of electrical provision to the Stevenage campus, as this would free other capital allocations for other priorities.

Question: *What risks were there around the dilapidations works?* The timeline to complete the programme was tight – right down to the end of August.

Question: *What risks were there around completion of the Town Centre Campus?* These were no limited, with the major works nearly complete and the second fix about to start.

Question: *Was the Plot B project still possible?* SBC continued to be enthusiastic and might be in a position to commit more funding; the college might be able to contribute from its reserves, and there was support (non-financial) from local employers such as Airbus, and from the University of Hertfordshire. It was unlikely that future DfE capital funding

allocations could be used for such a project, but these would address other estates priorities. Plot B remained a project achievable over a three to five year future window, and efforts would continue to be made to push it forward.

Question: *Was DfE making more capital funding available?* Not especially, although the condition improvement allocations were useful – albeit small in scale. The other options were very tightly drawn and often with very short deadlines.

Question: *Where did NHC stand in respect of SEND delivery in Hertfordshire?* Oaklands received the largest amount of funding (it had specialist facilities for learners with very high needs – Profound and Multiple Learning Difficulties (PMLD) centre) but NHC was next largest.

- Governors were pleased to see photographs of the projects as they progressed.

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

ITEM 5: POLICIES REVIEW

- With the merger of the Hart Schools Trust and the Chiltern Learning Trust on 1 April 2026, the Financial Regulations no longer needed to make reference to this organisation or its Officers, Board or Committees. These elements were proposed for removal.

- At the same time, the opportunity had been taken to restructure the Contents page to aid staff navigation, and to include an Annex outlining the rationale for the treatment of VAT, to ensure that this understanding was documented in an official policy document.

- The Finance Committee had been given delegated authority by the Board to keep this document under regular review and to approve the changes it felt necessary.

Question: *How were the regulations kept up to date against the latest guidance?* The notes issued periodically by DfE, the Association of Colleges (AoC), the FE Commissioner and information shared on the Clerks Network was kept under regular review and amendments suggested when necessary. The previous major amendments had been associated with the government reclassification of FE colleges into the Public Sector (2022) and associated guidance issued in 2023.

- Governors noted that a couple of references to HST had not been picked up for removal; this would be done through a final proof-reading pass.

- Subject to this being done, **the Finance Committee approved** the revised Financial Regulations.

Action: Publish the latest version of the Financial Regulations on Sharepoint.

ITEM 6: ANY OTHER BUSINESS

- None.

ITEM 7: DATE OF NEXT MEETING

- The next meeting was scheduled to take place on Thursday 25 June 2026, starting at 15.00, by videoconference (Microsoft Teams).

ACTION LOG

Meeting	Minute Reference	Summary of Action	Who	When
05/02/26	2.	Reflect on incorporating different/additional data analysis and business insights into future management accounts reporting	Paul Harte	31/05/26
05/02/26	2.	Arrange a meeting with the Committee Chair to discuss how to approach a refreshed report with enhanced analysis/presentational features for the Committee.	Paul Harte	31/05/26
16/04/26	5.	Publish the latest version of the Financial Regulations on Sharepoint.	Robert Dale	30/04/26