

Minutes
Finance & Resources Committee
Governance 2024-2025

Date	12/03/2025	
Time	17:15 - 18:30	
Location	MS Teams	
Present	Sujit Reddy (SR) Susan Kingman (SK) Alastair MacLeod (AM) Amanda Priem (AP) Mike Sutcliffe Nasim Khan (NK)	Chair Vice-Chair Governor Governor Governor Governor
	Keith Smith (KS) Shane Woodhatch (SW) Dylan McTaggart (DM) Alex Denley (AD) Tim Hulme (TH) Julie Amory (JA) Anna Beattie (AB) Anil Pujara (AP)	Ex-Officio, CEO Chief Financial Officer Group Principal Chief Technology Officer Interim Chief Operation Officer Chief People Officer Director of Finance Internal Auditor
Clerk	Perry Perrott (PP)	
Note	Nataliia Tymkiv (NT)	
Taker		

Summary of Actions

No.	Description	Responsible Person	Deadline
1.	Bring options for further Estate development on 30th April at the Strategy Day, if possible, (or a date at around that time) for further discussion.	PP	30/04/2025
2.	Determine whether to keep the procurement function in-house or outsource it, with a decision expected within the next month and provide the update to the Committee.	AD	25/03/2025
3.	Bring the following to the next meeting: i. A review of the five-year financial forecast, ii. A comparative analysis of expenditure trends, iii. Scenario plan to evaluate the impact of different funding outcomes on financial sustainability.	SW	25/03/2025
4.	Set fiscal rules to guide decision-making, which will be included in the next financial forecast.	SW	25/03/2025

Summary of Resolutions

No.	Description
1.	The minutes of the meeting held on 3rd December 2024 were approved unanimously, with MS abstaining due to not being present at the last meeting.
2.	The Committee agreed that the financial business case provided for the Library project posed too high a risk and recommended not to proceed with it and to explore alternative options.
3.	The Committee agreed to maintain the current investment approach and avoid tying up funds for longer periods than necessary.

Minutes

1 - General disclaimer statement at start of meeting:

The meeting was being recorded for the purposes of minuting.

2 - Apologies for absence

No apologies for absence were received. The meeting was quorate.

NK in attendance for Agenda Items 1-6.

3 - Declarations of Interest

No declarations of interest were declared, and it was noted that no declarations had been submitted in advance.

The meeting continued with no conflicts of interest reported.

4 - Minutes of the last meeting dated: 3rd December 2024

The minutes from the previous meeting held on 3rd December 2024 were approved.

RESOLUTION: The minutes of the meeting held on 3rd December 2024 were approved unanimously, with MS abstaining due to not being present at the last meeting.

5 - Actions from last meeting

- **Action 1:** In-year application: £1.5M was initially forecasted, but confirmation was received that the amount is £1.9M. It was clarified that the unprecedented growth in student numbers led to receiving only two-thirds of the expected funding. Only 50% was included in the revised forecast for the year.
- **Action 3:** Quarterly investment performance: Performance reviews are ongoing.
- **Action 10:** Financial regulations: Submitted for approval and now closed.
- **Action 12:** Staff training on procurement, financial regulations, and budgets: Scheduled for 19 March 2025 for all budget holders (EMT, SLT, and Level 1).

All other outstanding items have been closed or covered on the agenda.

6 - Uxbridge Library

The Committee discussed the business case for the Uxbridge Library project, which had been previously discussed at the Strategic Transformation Committee and approved to be moved to this Committee for further scrutiny on the financial case. TH provided a preamble, explaining the strategic objectives and the need for enhanced social spaces and upgraded facilities.

Two options had been considered by Strategic Transformation: a full specification with labs at a redevelopment cost of £6.8 million, and a reduced specification without labs at a cost of £3.6 million. These amounts were significantly higher than the initial redevelopment estimates of £2-3 million when EMT initially looked at the Library acquisition project. Furthermore, recent fiscal constraints and uncertainties around government funding and the redevelopment cost estimates received, raised doubts about whether this project made financial sense.

SW then elaborated on the financial context, explaining that the College had been informed of potential funding reductions from the Department for Education (DfE) and increased cost pressures from National Insurance and pay awards. SW noted that the original assumption had been that the College would receive around £1 million in compensation for increased National Insurance contributions, but this had not yet been confirmed. Additionally, SW stated that financial reserves, which had been projected to remain above £24 million, were now expected to fall to approximately £20 million if the project proceeded. SW also mentioned that the College was aiming to maintain reserves at around £30 million to safeguard against unforeseen financial pressures.

KS raised concerns whether investing £11 million (purchase and fit-out) was good value for money, as the cost per square metre now exceeded market rates. KS emphasised that while the strategic

rationale for acquiring the Library remained strong, the financial case had weakened due to the funding uncertainty and higher than expected redevelopment costs for the site.

A Governor questioned the changes since the last Strategic Transformation Committee had approved the business case. SW explained that while some cost increases had been anticipated, the uncertainty over compensation from the DfE and the broader fiscal outlook had become more pronounced since the last meeting. SW also noted that projections for future funding growth had been revised downwards, which created additional pressure on reserves.

A Governor raised concerns about relocating the sixth form to the library without labs, noting it could disrupt learning and limit future growth. A Governor further highlighted that the library's 560-student capacity would only allow for 5% growth, questioning whether this justified the investment and cited a draft space utilisation survey indicating that the main campus was not yet at full capacity, suggesting that additional space might not be urgently needed.

A Governor sought clarification on alternative options and timelines to develop a new solution. KS suggested a modular building on the Uxbridge campus for £6–8 million, which could be installed quickly and provide similar facilities at a lower cost. KS also mentioned ongoing discussions with Brunel University about leasing space to ease pressure on the main campus.

DM explained that delaying the installation of labs would reduce the ability to backfill space on the main campus, extending repayment periods and lowering financial benefits. SW confirmed that the revised financial models showed a payback period of over nine years, weakening the financial case.

A Governor stressed the need to align the college's curriculum and estates strategies, suggesting that library decisions should reflect future curriculum and student growth needs. TH agreed, noting that the campus master plan needed updating and should align with curriculum development.

The Committee agreed that the financial business case for the Library project posed too high a risk and recommended not to proceed with it and to explore alternative options. A resolution to this effect was passed unanimously.

A Governor highlighted the need for a holistic approach to the estate strategy, including curriculum strategy and space utilisation.

A Governor emphasised the need for quick alternative solutions, suggesting a timeline to ensure availability by September 2026. PP proposed bringing the item back on 30th April at the Strategy Day, if possible, (or a date at around that time) which was agreed upon. TH acknowledged the challenge but accepted the six-week timeline for delivering a modular unit by September 2026.

SW mentioned that he was awaiting confirmation from the DfE regarding funding, potentially a contribution of £4 million was expected to be allocated to modernising the Estate.

RESOLUTION: The Committee agreed that the financial business case for the Library project posed too high a risk and recommended not to proceed with it and to explore alternative options.

ACTION 1: Bring options for further Estate development on 30th April at the Strategy Day, if possible, (or a date at around that time) for further discussion– PP by 30/04/2025

7 - Barclays update

AB provided an update on the Barclays investments, explaining that due to uncertainties around cash availability, new investments were put on hold. The current cash position as of January was £30 million, with £10 million in short-term deposits earning approximately 4.1%. The plan is to build a detailed investment plan once funding and investment clarity are achieved.

The discussion emphasised the need for flexibility and careful cash management considering upcoming capital expenditure and potential property investments.

A Governor asked for clarification on the status of corporate bonds, which had been discussed at the previous meeting. AB confirmed they were on hold to maintain liquidity and ensure funds were available for future projects.

It was noted that the College was expecting to receive capital grants from the Greater London Authority (GLA) related to the Richmond STEM building. These grants had been delayed but were now expected to arrive within the current financial year. It was projected that without the Library project, the College would end the year with reserves of approximately £33.5 million after factoring in other planned capital expenditure commitments of around £21 million.

The Committee agreed with the proposal to maintain the current cash policy and to avoid entering into medium to long term investments where funds would be tied up. A resolution to this effect was passed unanimously.

RESOLUTION: The Committee agreed to maintain the current investment approach and avoid tying up funds for longer periods than necessary.

8 - Update to the Committee:

8.1 - PMO Office Structure

AD provided a brief overview of the PMO Office Structure, emphasising the importance of building a business case and adopting the HM Treasury Green Book Five Case Model. Due to time constraints, it was agreed to distribute the slides to all members and take questions offline.

8.2 - Procurement Processes and Procedures

AD summarised the recent developments in procurement, including the completion of a procurement review report, a 12-month improvement plan, and updated standard terms and conditions. The next steps involve determining whether to keep the procurement function in-house or outsource it, with a decision expected within the next month.

ACTION 2: Determine whether to keep the procurement function in-house or outsource it, with a decision expected within the next month and provide the update to the committee. – AD by 25/06/2025

8.3 - The Role of Internal Audit within the Structure

The newly appointed Internal Auditor, AP introduced himself and outlined his strategy for internal audit, focusing on redefining the risk register, developing an audit risk register, and creating a three-year audit universe plan with the aim to capture all aspects of risk, including financial, service delivery, and academic areas.

9 - Half-Year Performance Update and Revised Full-Year Budget

A five-year budget forecast was not prepared due to funding uncertainties, but revised projections will be presented in April once funding is confirmed.

Financial performance showed an increase in income by £5 million, mainly from 16 to 18-year-old student growth and high needs provision. High-needs funding, while staffing costs rose by £4.4 million due to pay awards and additional recruitment.

Operating expenses reached £30.6 million, driven by student-related costs, estate management, security, and health and safety investments. The projected operating surplus of £1.8 million has been revised to £780,000, but this was based on a lower amount factored for in year student growth (£1.3 million) whereas £2 million is finally expected to be received this year.

Financial projections will be updated at the next meeting, with the potential for EBITDA to increase from 5% to 10% when the in-year growth funding is received, strengthening financial stability and cash reserves.

A fiscal policy framework will be developed to guide financial decisions, while a benchmarking exercise will assess corporate service costs for long-term sustainability.

Setting fiscal rules to guide decision-making was suggested, which will be included in the next financial forecast. The Committee agreed to review the five-year plan at the next meeting, considering future student demographics and cash reserves.

The current cash reserves align with the existing policy of maintaining 3 months of operating expenses (£23 million) but requires close monitoring.

The Committee discussed the possibility of increasing reserves as a financial buffer and agreed that future investments should be carefully evaluated to maintain financial stability. During the discussions, members raised concerns about the impact of rising operational costs on long-term planning. It was also noted that future funding allocations would be crucial in shaping financial strategies, and further scrutiny of expenditure areas was suggested.

ACTION 3: Bring the following to the next meeting: a review of the five-year financial forecast, a comparative analysis of expenditure trends, and scenario plan to evaluate the impact of different funding outcomes on financial sustainability. - SW by 25/06/2025

ACTION 4: Set fiscal rules to guide decision-making, which will be included in the next financial forecast. - SW by 25/06/2025

10 - Update on Financial Regulations Approval

SW provided an update on the changes to the financial regulations.

The revisions ensured compliance with governance requirements and best financial practices.

SW emphasised the importance of these changes in ensuring financial discipline and compliance across the organisation.

In response to a clarification if there were major changes affecting daily operations, SW noted that while core policies remained, procurement thresholds and authorisation limits had been refined to streamline processes while maintaining oversight.

In response to a Governor's query about alignment with audit recommendations, SW confirmed that the updates reflected key recommendations, particularly in strengthening financial controls and procurement compliance.

Training sessions for staff on the new regulations and cultural change were scheduled for the 19th of March 2025.

Governors highlighted the necessity of addressing cultural issues to ensure adherence to the new policies and underscored the role of internal audit in monitoring compliance, which AP will oversee.

11 - Any Other Business (AoB)

No additional items were raised.

12 - Dates of the next meeting

The next meeting was confirmed for 25th June 2025.

The meeting concluded at 6:42p.m.