USP College Corporation
Finance and Resources Committee

Minutes of the Meeting held on Tuesday 7 October 2025
Via MS Teams
Meeting commenced: 16.00hrs
Meeting ended: 18.00hrs

Present

Phillip Lennon	Independent Member	Chair
Paul Wakeling	Independent Member	
Louise Aitken	Independent Member	
Ben Akande	Independent Member	

Apologies for absence

Dan Pearson	Chief Executive

In attendance

Steven Hendy	Chief Finance Officer (CFO)
Clare White	Principal
Lorraine Stoten	Director of HR (DofHR) (item 5 only)
James McInroy	Executive Director, Estates Operations (item 6 only)

Clerk

Sue Glover	Director of Governance

FRC.27.25 Declaration of Interest

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

There were no declarations of interest.

FRC.28.25 Apologies for absence

Apologies for absence were received from Dan Pearson.

The Committee agreed to accept the apologies for absence.

FRC.29.25 Unconfirmed minutes of the meeting held on 24 June 2025

The minutes of the meeting were approved and signed as a correct record.

FRC.30.25 Matters arising and action points from the minutes of the previous meeting

Members reviewed the action points arising from the meeting, noting those items that will be picked up under the agenda.

It was noted from the minutes of the last meeting that the XR Studios business plan had been expected to be presented at this meeting. It was agreed that this would come to the next meeting in November with an update on current year activities and commencing from August next year regarding the potential subsidiary company.

Members were updated verbally by the DofHR on the Gender Pay Gap (GPG) and were advised that:

- the College workforce is predominantly female, and the GPG is higher than the AOC benchmark
- females typically work in lower-paid, part-time roles, which is aligned with the social norm of females taking the lead with family commitments
- the highest earner at the organisation is male, contributing to the gap

The DofHR confirmed that there are no underlying inequalities or negative treatment within the College. The previous GPG report included an action plan focused on encouraging more males to consider lower-paid jobs and ensuring unbiased advertising; everyone is mostly on a pace scale, meaning there is no inherent bias in terms of male/female pay split. The report is redone annually in arrears and reported in the financial statements. The action item related to the GPG update was signed off.

It was agreed that all other actions had been satisfactorily completed and that there were no other matters arising from the minutes of the previous meeting.

FRC.31.25 Annual report on Human Resources – 2024/25

The DofHR presented for consideration and approval the annual report on Human Resources for 2024/25.

Members were advised that the report identifies key activities undertaken by the Human Resources function in relation to staff related matters during the academic year 1 September 2024 to 31 August 2025.

Members reviewed and discussed the report, noting details with regard to the many aspects of the staff profile and, in response to questions on issues raised, were advised that:

- recruitment activity increased by 66% in the year and turnover has reduced. The number of leavers with less than 3 years' service has decreased from the previous two years. HR intervention regarding staff support and timely probation and escalation processes have proven to provide benefits with further improvements in onboarding and new starter initiatives introduced this year
- although there had been more cases involving employee relations during the year, most issues have been resolved satisfactorily. The spike in cases does not indicate any single underlying trend, with issues originating from different departments and with different types of issues
- potential contributing factors surrounding the increase absence rate in the English and Maths departments have included the stress of teaching the subject and high student volumes. A new Director of Maths and English has been appointed and the HR team are working with the Director on occupational health and short-term absences. The removal of English and Maths from the SEND provision and the recruitment of an external Director was a strategic decision to implement a new management culture. Expectations have been reset supported by vigilant lesson walks and supportive measures. The Committee agreed that it would be useful to keep an eye on the absence rate in this area in future reporting.
- the drop in qualified staff in Foundation Learning was due to the fact that the department only contains three teachers, meaning any change has a disproportionate impact on the percentage
- the completion rates for the 'Even better place to work' initiative were significantly higher than previous staff surveys and initial results appear positive

The Committee commended the work by the College's HR team to support staff and the range of initiatives available to everyone. Members asked that thanks are passed to the HR team for their continuing hard work in supporting all staff.

Agreed
The Finance and Resources Committee agreed to accept and commend to the Corporation Board the annual report on Human Resources for 2024/25.

FRC.32.25 Termly Health and Safety and Estates Report
The EDEO presented a report to update members on the current Health and Safety and Estates position and activities at the College.

Members reviewed the detail of the report, noting:
- the capital works completed over the summer had been successful
- the issue with the water supplier has been resolved. The previous large bill was a six-month reconciliation covering a shortfall from previous contracts. This is now being monitored monthly. It was noted that the water budget will need to be reviewed in November as the current budget is likely too low
- three pieces of capital work which were under the contractual arrangements for defects liability have now come to completion. The Med Tech new build had no issues; the Civic Theatre refurbishment had no issues with air conditioning successfully installed over the summer; and the Engineering STEM area refurbishment has one ongoing defect regarding a roof penetration leak which is contractual and requiring sign-off from the contractor which is delaying resolution
- the CFO confirmed that the extensive summer works were achieved within budget

In discussion, members asked if future reports could include an overview to summarise the overall plan and objectives for the three campuses for the reporting period to provide a holistic view while retaining the detailed list of actions. The Committee took the opportunity to thank the Estates team for all their hard work in ensuring the successful completion of the capital projects.

Health and Safety Policy
The EDEO presented for approval the Health and Safety Policy.

Members were advised that there were no legislative changes and the policy remains robust. The policy is scheduled to be presented to the College's Policies and Procedures Committee. The Committee agreed to approve the policy, subject to the EDEO reporting back on there being no substantive changes by the Policies and Procedures Committee - in which case, digital signatures can then be added for display of the signed document at all campuses.

Agreed
The Finance and Resources Committee agreed to:
- receive and note the report
- approve the Health and Safety Policy, subject to the EDEO confirming there were no substantive changes by the College's Policies and Procedures Committee

FRC.33.25 **Property Strategy**

The CFO presented an update on the Property Strategy.

Members were reminded that the Property Strategy covers a five-year period and is reviewed annually by the Committee. It was previously agreed that formal approval of the updated strategy would be deferred until the November meeting, pending the results of an outstanding DfE site survey. Members were informed that there was the possibility that DfE may delay the release of these survey results. However, the intention remains to present the strategy to the Board in December.

The Committee reviewed the detail of the update report, noting the progress against the previously agreed property investment plan and the revised investment framework extending to 2030.

In discussion, it was agreed that the Property Strategy required a clear, long-term vision, (to cover at least the next 10 years) to guide the College's objectives – preferably outlining the ideal College learning spaces and serve as a comprehensive overview of the campuses rather than just a list of individual projects. It should also acknowledge various plans for achievement, such as securing large DfE funding for a new build or relying on phased refurbishment as funding becomes available. Having an overarching view would align the strategy with the corporate vision for the College, even if achieving this requires finding external funding, such as DfE funding or borrowing. It was agreed to insert this vision into the strategy and members offered to collaborate with the CFO to help develop this.

Members were informed that the government has allocated £375m for capital funding over the next 3-4 years and the College will receive an allocation for condition improvements in April 2026, which, importantly, does not need to be spent immediately but can be accumulated over a number of years going forward.

The latest investment plan within the current strategy requires £23m over 5 years, which includes £15m for a new build to replace two end of life buildings.

Agreed

The Finance and Resources Committee agreed that the Property Strategy is updated to include:

- a long-term vision statement as outlined
- options for achievement of the required investment

FRC.34.25 **Financial Reporting – Management Accounts to 31 July 2025**

The CFO presented the management accounts to 31 July 2025.

Members were advised that:

- the draft management accounts show an operating surplus of £467k, which is significantly higher than the revised forecast of £69k
- this positive change is primarily due to a higher-than-expected reduction in local authority high needs funding
- all the local authorities have confirmed in writing their year-end reconciliations and that the amounts invoiced and paid are accurate and correct
- this revised (higher) level of high needs funding could have a positive impact on future years' budgets for the College
- following a review of other potential clawbacks, it was noted that the College received the full allocation for the 'Taking Teachers Further' funding, even

though the College was only ever likely to spend a small proportion of this - hence, the DfE have indicated they would claw back the underspend on these funds
- subject to the year-end audit, the improved financial position indicates the College is on track for an outstanding health rating this year, which is ahead of forecast
- the College has a high carry-forward of student bursary funds, circa £300k. for which the DfE may demand repayment if these are largely unspent by December

Members reviewed the detail of the report, noting in particular:
- Financial KPI dashboard
- Financial performance tracker
- Income and Expenditure account
- 2-year cash flow forecast
- Balance Sheet
- Statement of cash flows
- Operational capital programme
- Analysis of significant year to date variances
- Major capital projects
- Analysis of curriculum & support area performance
- Financial Bank Loan Covenants

Members discussed the issue surrounding the bursary funding and were informed that, while these funds do not form part of the College's income and expenditure account, the College is responsible for the holding (safe custody) and distribution of these funds. Members noted the importance of ensuring students who need the money are able to receive it and avoid the (mistaken) impression that the College is somehow retaining the funds, especially for its own purposes. It was agreed that the Principal would:
- investigate the barriers to access for eligible students,
- explore ways to communicate / advertise the availability of these funds
- consider setting a target for the allocation of these funds

Agreed
The Finance and Resources Committee agreed:
- To receive and note the management accounts to July 2025
- For the Principal to investigate what actions could be taken to improve the take-up of the bursary funds available and report back to the Committee

FRC.35.25 Financial Reporting – Financial update for October 2025
The CFO presented members with an update on key financial matters, which are in addition to the update provided in the July management accounts.

Members were updated on:

- Financial outturn 2024-25
- Budget 2025/26
- Enrolment numbers for 2025/26
- Property Strategy
- New build feasibility
- Land update
- Capital projects
- Finance team restructure

The Committee was informed that:

- the College is forecasting 151 students above the funding threshold, although this should be treated with caution until the end of the T42 period
- the land sale with Persimmon is proceeding with site surveys and a planning application

The Committee thanked the CFO for a comprehensive update on College matters and asked to be kept informed of progress on the various matters discussed, as appropriate. It was particularly pleasing to note that all the capital projects have now been successfully completed.

Agreed
The Finance and Resources Committee agreed to receive and note the financial update for October 2025.

FRC.36.25 ITEC Financial Plan
The CFO presented an update on the plan for the recovery of the intercompany loan with ITEC.

Members were advised that:

- a five-year forecast indicates that the intercompany debt owed by ITEC to the College has reduced from £181k to £105k and is on track to be eliminated
- this is being achieved through current activities, primarily income from exam centre and lettings
- the College will continue to issue a letter of support for the subsidiary until the debt is eliminated so that it may continue as a going concern

The Committee was updated on the proposed plan for XR Studios, which has been set up as a separate company, albeit currently dormant. Consideration is being given to various options for the formal set-up of the Studios, including using its income to augment the existing plan to eliminate the ITEC intercompany loan. The intention is to expand the Studios initiative into a separate company or integrate it with ITEC when the timings and opportunities are right. Initial planning for the potential subsidiary company is scheduled to commence from August next year.

FRC.37.25 Financial Regulations
The CFO presented for approval the Financial Regulations.

Members were advised that changes made were minimal, largely covering formatting, title changes and necessary updates related to the College Financial Handbook and the Procurement Act.

The Committee reviewed the document and agreed with the changes proposed. It was acknowledged that the CFO intended to reformat the document, and it was agreed that he would confirm any significant changes to the Committee at the next meeting

Agreed
The Finance and Resources Committee recommended to the Corporation Board for approval the Financial Regulations, subject to any further changes advised at the next meeting

FRC.38.25 College Insurance Cover

The CFO presented a report which gave an update on the current insurance arrangements for 2025/26 following the recent insurance review.

Members were advised that:

- the overall insurance premium has increased by £5k
- the current long-term arrangement is in its final year and tendering will be reviewed in December
- this review will include the option of using the government's insurance organisation under the Managing Public Money rules

In discussion, members noted that cyber insurance is the highest-cost premium, but insurers are comfortable with the current coverage level. Terrorism coverage has been omitted as insurers deem the College to be low risk. Members debated the risk, cost and benefit of terrorism insurance and agreed that some benchmarking should be done with other colleges in the area.

Agreed

The Finance and Resources Committee agreed:

- to receive and note the report
- for the CFO to benchmark terrorism insurance costs with other local colleges and report back to the Committee

FRC.39.25 Committee Effectiveness

The Director of Governance presented the outcomes from the Committee's self-assessment for 2024/25.

Members were reminded that the Board had conducted its annual self-assessment over the summer, which included a self-assessment of the performance of each of the committees. The Board reviewed the outcomes at the meeting held on 30 September and agreed that each Committee should consider the outcomes of its own self-assessment at the autumn meetings.

The Committee reviewed the outcomes for the Finance and Resources Committee, noting:

- the overall assessment of the Committee's performance is Good
- the impact the Committee has made in the last twelve months
- the areas suggested of how performance might be improved

In discussion, members concluded that the Committee continues to fulfil its function as a key committee of the governing body. It was agreed that the Committee was effective, well run and served by good papers which focus on major issues.

Agreed

The Finance and Resources Committee agreed to receive and note the report.

FRC.40.25 Any Other Business

There were no items of any other business.

FRC.41.25 Dates of scheduled meetings of the Finance and Resources Committee 2025/26

Tuesday 25 November 2025
Tuesday 10 March 2026
Tuesday 23 June 2026

SIGNED AS A CORRECT RECORD:

DATE: 25 November 2025