USP College Corporation
Finance and Resources Committee

Minutes of the Meeting held on Tuesday 10 March 2026
Via MS Teams
Meeting commenced: 16.00hrs
Meeting ended: 17.45hrs

Present

Phillip Lennon	Independent Member	Chair
Paul Wakeling	Independent Member	
Louise Aitken	Independent Member	
Ben Akande	Independent Member	
Dan Pearson	Chief Executive	

In attendance

Steven Hendy	Chief Finance Officer (CFO)
Clare White	Principal
Lorraine Stoten	Director of HR (DofHR) (to item 5 only)

Clerk to the Committee

Sue Glover	Director of Governance

FRC.01.26 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.

The Chief Executive declared his interest in item 7.1, the Learner Wall Room as one of the proposed suppliers, I-Immersive Ltd, is known to him.

There were no other declarations of interest.

FRC.02.26 Apologies for absence

There were no apologies for absence.

FRC.03.26 Unconfirmed minutes of the meeting held on 25 November 2025

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

FRC.04.26 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.

Members were informed on the outcome of the review into the renewal of DBS checks on existing staff, which had been discussed at the previous meeting. The Committee had agreed that as this related to existing staff and would thus fall under the remit of the safeguarding policy the outcome of such a review would be reported to the Quality Committee.

The Principal advised that the outcome of the review was presented to the recent meeting of the Quality Committee. After a full discussion, the Quality Committee had agreed that there was insufficient evidence for the College to move to a three-year cycle of DBS re-checks and they should remain on a five-year cycle.

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.05.26 Termly Human Resources report

The DofHR presented a report to update members on the Human Resources activities for the period September to December 2025.

Members were advised that:

- Recruitment performance has continued to improve with 95% offer-to-start ratio, 90% year one retention and 9.4% reduction in vacancies at the start of the academic year
- Staff turnover has reduced to 13% and internal mobility remains a key strength with increased internal moves and 100% retention of internal appointments
- The most notable improvement in sickness absence (including long- and short-term absences) is in October 2025, which shows a significant reduced average compared with 2024 and 2023
- The launch of 'an even better place to work' generated high engagement and positive early results

Members discussed the issues raised and, in response to questions, were advised that:

- The College is unable to benchmark staff sickness absence or staff turnover and there is currently no meaningful benchmarking data available from either the DfE or the AoC regarding this. It is expected relevant benchmarking data may be available in a year's time
- The 'an even better place to work' tool was implemented as traditional staff surveys had not given accurate information due to the timing of surveys. The tool provides managers with real-time feedback and helps to identify areas for improvement and provides managers with resources for team-based activities to address specific issues. This initiative is increasing manager accountability and encouraging them to refocus on the quality and frequency of one-to-one meetings and facilitates the sharing of best practice among managers during College Management Team (CMT) sessions

Members were informed about the Employment Rights Bill and were reassured that the HR team is proactively managing the necessary updates to training, recruitment and College policies to ensure ongoing compliance with the new legislation.

Members agreed that the report presented a positive position with staff, in particular the 'an even better place to work' initiative which is helping to facilitate continuous improvement with managers.

Agreed

The Finance and Resources Committee agreed to:

- receive and note the report
- acknowledge that the HR team is managing the necessary updates in relation to the Employment Rights Bill

Lorraine Stoten left the meeting

FRC.06.26 Termly Health and Safety and Estates Report

In the absence of the EDEO, the CFO 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 College maintains sufficient coverage with personnel trained in first aid
- the number of reported accidents for the period May to July 2025 with previous year comparisons
- the two RIDDOR incidents that had previously been reported to the Committee
- highest demand, behaviour-led pressures emerging at the Seevic campus

Members discussed the issues raised and, in response to questions, were advised that

- the RIDDOR reported incident relating to the injury sustained by one of the cleaning staff may result in an insurance claim
- the recent student vandalism at the Seevic campus had involved several students who have been identified via CCTV. They are currently undergoing disciplinary procedures.

The Committee agreed it was a positive report and that management would monitor the disciplinary outcomes and the impact of these actions on reducing further incidents.

Agreed

The Finance and Resources Committee agreed to received and note the report

FRC.07.26 Related Party Transactions (RTP)

The CFO presented a report detailing the recommendations made following the review of the College's RTP, which had been presented to the Board in December 2025 along with the financial statements for sign off.

Members reviewed the progress of the recommendations made noting that, of the 9 made, 6 have been completed and 3 are currently underway/ongoing, which included a review of the Procurement Policy and financial regulations and the inclusion of RTP in the 2026/27 internal audit plan.

Consideration was given to the recommendation as to whether a cap should be introduced for total RPT for one supplier during the course of a financial year with the Financial Regulations updated accordingly. The Committee debated whether to introduce a financial cap but concluded this may hinder strategic priorities and cause delays. It was agreed not to introduce a fixed financial cap but that the RPT approval form would be updated to explicitly show the cumulative spend for the year to ensure transparency.

Agreed

The Finance and Resources Committee agreed that a financial cap is not introduced for related party transactions but that the approval form is updated to show the cumulative spend for the year

FRC.08.26 Learner Wall Room

The CFO presented for consideration and approval a proposal to invest in a Learner Wall room to support its strategic priority to expand flexible, high-quality adult education, particularly in anticipation of the Lifelong Learning Entitlement and the growth of modular, micro-credential-based learning.

Members were informed that:

- the proposal is being brought to the Committee for consideration as the investment sits outside the original capital plan and involves a related party, I-Immersive Ltd
- to ensure compliance with the College's procurement rules quotes have been obtained from at least three suppliers
- the project has been broken down into the relevant asset component and quotes subsequently obtained for:
  - Technology & Equipment
  - Furniture
  - Room set-up

Members reviewed the detail of the proposal and the costs provided by proposed suppliers for each component and, in response to questions, were advised that:

- The room is a turnkey solution, designed to be immediately usable by staff without technical setup or expertise
- The Learner Wall room enables the College to expand adult and employer linked programmes sustainably
- The project is affordable due to a projected £300k underspend in the current capital budget

The Committee discussed each of the proposed suppliers and were content that as the long standing and preferred supplier of immersive technology and associated software for the College, I-Immersive Ltd, had been subjected to a robust procurement process for the project that they be appointed as the supplier of technology and equipment for the project.

The Chief Executive withdrew from the approval of the project due to his conflict with one of the suppliers
The Finance and Resources Committee (excluding the Chief Executive) agreed to recommend to the Corporation Board that:

- The Learner Wall Room project is approved
- The related party transactions for this project are noted
- The following suppliers are appointed:
  - I-Immersive Ltd – Technology and Equipment
  - Avoor – Furniture
  - Atlas & Essential – Room set-up

It was noted that the Chair of the Corporation and Committee Chair would provide e-signatures for the procurement approval document following endorsement of the project by the Corporation Board.

FRC.09.26 Management Accounts to 31 January 2026
The CFO presented the management accounts for the 6 months to 31 January 2026.

Members were advised that:

- The consolidated accounts for the period show an actual surplus of £772k compared to a budgeted surplus of £361k, resulting in an overall positive variance of £411k, which is due mainly to:
  - Additional income due largely to increased allocation of deferred capital grant income
  - Staff savings as a result of delayed and unfilled vacancies
  - Increased depreciation charges relating to capital grant funded assets

        - Net savings against non-pay costs relating to curriculum delivery costs
- Cash balance at month end is £4.1m, which is higher than forecast but includes unspent capital grant funding received in June 2025
- The balance sheet is in line with expectations
- Financial health grading for the year is forecast to be outstanding

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
- Capital programme summary 2025-26
- Performance summary of key delivery areas
- Sensitivity & risk analysis

Members were also updated on the following key financial matters:
- Year-end audit has been completed with no year-end adjustments made
- 2025-26 enrolment number
- Capacity planning at Seevic campus
- Pension actuarial valuation 2026-2029
- New build feasibility
- Capital funding grants from the DfE
- Land sale update
- Other matters
    - Introduction of a new Financial Plan which will be aligned to the strategic plan and brought to the committee in June 2026
    - Issues with finance software since November 2025; a deadline of February 2026 has been set to address these
    - Budget setting for 2026-27 will commence in March 2026

In discussion, members agreed that the mid-year position was a very positive one and is on track to achieve a good outcome for the year. It was pleasing to see the good outcome for enrolment with 170 students above the funded allocation and that when applying the funding for student growth rules this means the college will have a growth case for an additional 70 students, which would equate to circa £347k if paid in full by the DfE.

The Committee noted that the College has registered its interest to bid for capacity funding of up to £5m, which would be utilised to address capacity issues at the Seevic campus with a focus on replacing the 700's and 500's buildings. The bid must be submitted by April 2026 and there is a requirement for the application to be signed off by the governing body. It was agreed that a recommendation is made to the Corporation Board at the March meeting to approve the application for the bid; however, if this is not available at the time of the meeting then the Corporation Board be asked to delegate authority to the Finance Executive Group to review and approve the application when available in time for the April deadline.

Agreed
The Finance and Resources Committee agreed to:

- Receive and note the management accounts to January 2026
- Recommend to the Corporation Board to approve a bid for capacity funding to address issues at the Seevic campus and that approval of the application is delegated to the Finance Executive Group should this not be available at the March meeting of the Board

FRC.10.26 Budget Review 2025/26

The CFO presented a report which provided an overview of the outcome of the February 2026 budget review for the year 2025/26.

Members were advised that:

- The revised budget together with a proposed staff pay award have been reviewed and agreed by the Executive Leadership Tem and are recommended for approval
- When carrying out the review, all areas of the budget were reviewed to identify the key changes that have occurred since the original budget was approved in July 2025 and to confirm whether there was scope to increase the budgeted pay award of 3% to 4%
- A detailed ongoing review of the staffing budget and the level of growth funding to be paid having not yet been confirmed by the DfE; further updates to the budget forecast may be required prior to the planned Board meeting in March
- A 4% pay award is in line with the AoC recommendation and is affordable in both 2025/26 and 2026/27

The Committee reviewed the outcome of the budget review as set out in the summary of ‘best case’, ‘likely case’ and ‘worst case’ scenarios, noting the original budget approved by the Board of £547k in July 2025 and the ‘likely case’ revised budget of £602k proposed, together with the key changes since the original budget was approved and the risks and uncertainties.

In response to questions, members were informed that the expectation is that funding will increase and considered the ‘likely case’ budget to be comfortably achievable. Members agreed that the budget review outcome presented a very positive position which indicated that a 4% pay award could be made to staff.

Agreed
The Finance and Resources Committee agreed to recommend to the Corporation Board for approval:

- The revised budget for 2025/26, noting the ‘likely case’ outcome of £602k surplus
- A 4% pay award is made to all staff, payable from 1 April 2026

FRC.11.26 SORP Update

The CFO presented for information the upcoming changes to the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2026 edition which was published in November 2025.

Members were advised that

- The changes become effective in January 2027
- Key updates impacting colleges include:
  - Lease accounting
  - Revenue recognition
  - Governance & narrative reporting
  - Pension scheme guidance

The CFO advised that he will be reviewing the College's current lease portfolio to prepare for this change as 2025/26 comparative data will need to be presented in the 2026/27 financial statements. The impact of this change and other changes mentioned will be reported to the Committee at the June meeting.

Agreed

The Finance and Resources Committee agreed to:

- Receive and note the update
- Review the impact of changes at the June meeting

FRC.12.26 Property Strategy

The CFO presented a report outlining the detail of the College's Property Strategy and were advised that this details the high-level long-term vision for the College's estate driven by the College Strategic Plan and supported by the Financial Plan.

The CEO gave a presentation on the Property Strategy which highlighted:

- The following key aims
  - Future learning model
  - Innovation labs
  - College masterplan
  - Capital recycling
  - Investment pathways
  - Strategic partners
- Career-focused learning commitment
- Estate Strategic Premise
- The Integrated Transformation Model
- Visual Strategic Architecture
- Stage one: innovations labs
- Stage two: blueprint conversion
- Stage three: masterplan integration
- Governance Discipline
- Capital and funding framework
- Gold/silver/bronze pathways
- Strategic partner appointment

Members discussed the property strategy presented and, in response to questions, were advised that:

- The 'gold standard' pathway would be a full strategic commitment which would involve selling surplus land to fund the development
- The transformation would be driven by curriculum design and delivery rather than simply building based on immediate necessity or available modular units

- The launch of innovation labs in year one would act as 'test beds' for new AI products and sector-based learning designs and provide a blueprint for larger developments
- The gold/silver/bronze pathways allow the College flexibility and to be able to scale its plans from redeveloping two rooms to an entire campus

Members agreed with the approach taken to develop the College's Property Strategy and that that this should be recommended to the Corporation Board for approval, noting that a new Property Plan will be created which will be the operational document used to implement the vision set out in the Property Strategy. The aim will be to complete this document by July 2026 in readiness for the start of the academic year 2026/27; until then the current property plan will remain as previously approved.

Agreed
The Finance and Resources Committee agreed to recommend to the Corporation board for approval to:

- Endorse the Integrated Learning & Estate Transformation Strategy
- Confirm Seevic as the primary Transformation campus
- Approve year 1 Innovation Labs as Design-Before-Build discipline
- Approve development of costed gold/silver/bronze pathways
- Engage with strategic partners

FRC.13.26 College Insurance Review for 2025/26
The CFO presented a report detailing the outcome of the benchmarking exercise relating to terrorism insurance cover against other colleges and the impending 2026/27 insurance renewal and the approach to entering into a long-term agreement.

Members were advised that:

- Of the 30 responses from colleges, 22 did not have terrorism cover and 8 did
- The current insurance agreement is about to expire with the current provider, (Gallaghers) and an offer of a further 3-year agreement has been made
- An initial review of current insurance providers via the CPC framework indicates there are only three companies who are available to tender, which includes Gallaghers
- One company, Hettle Andrews is about to be taken over by Gallaghers and the other, Zurich, has always tended to be more expensive
- If the College goes out to tender, it will be treated as new business with Gallaghers which could result in an increase in premium of up to 30%
- There is an expectation that premiums for 2026/27 will increase particularly resulting from an increase in Employment Tribunal cases across the sector
- There may be some reduction relating to Cyber cover as the sector has seen fewer claims

The CFO advised that he had requested further benchmarking data to support the decision-making process. However, it is felt that, with the current knowledge and information provided, it is highly likely that at the end of the tender process the College would still renew with Gallaghers. It was noted that the College has previously extended contracts without a full tender in specific cases, such as with auditors, where it was deemed beneficial. Members raised concern about the College's reputation regarding cumulative value of contracts and the transparency of choosing not to tender and requested a review of the previous contract terms and to consider the value for money aspect.

It was agreed that the CFO would conduct a further review of the previous contract documents to verify these terms and provide an update outside of the meeting.

Agreed
The Finance and Resources Committee agreed:

- The current arrangement in terms of Terrorism cover is kept when renewing for 2026/27
- In principle, not to go out to tender for 2026/27, opting instead to evaluate the new offer from Gallagher
- To remain compliant, the CFO to complete the College's Value for Money benchmarking form to formally document and justify the decision

FRC.14.26 Any Other Business
There were no items of any other business.

FRC.15.26 Dates of scheduled meetings of the Finance and Resources Committee 2025/26
Tuesday 23 June 2026, commencing at 4pm

SIGNED AS A CORRECT RECORD:

DATE: 23 June 2026