



**USP College Corporation  
Finance and Resources Committee**

**Minutes of the Meeting held on Tuesday 26 November 2024  
Via MS Teams  
Meeting commenced: 16.30hrs  
Meeting ended: 17.30hrs**

**Present**

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

**Apologies for absence**

Louise Aitken	Independent Member
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**In attendance**

Steven Hendy	Chief Finance Officer (CFO)
Clare White	Principal
Jon Strutt	Director of Finance (DofF)
Lorraine Stoten	Director of HR (DofHR) (item 5.1 only)
James McInroy	Executive Director, Estates Operations (EDEO) (item 5.2 only)

**Clerk**

Sue Glover	Clerk to the Corporation
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**FRC.39.24 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.40.24 Apologies for absence**

Apologies were received from

- Louise Aitken

The Committee agreed to accept the apologies for absence.

**FRC.41.24 Unconfirmed minutes of the meeting held on 8 October 2024**

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

**FRC.42.24 Matters arising and action points from the minutes of the previous meeting**  
Members reviewed the action points arising from the meeting, noting the item that would be dealt with under this agenda.

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.43.24 Safer Recruitment Policy**  
The DofHR presented for consideration and approval the Safer Recruitment Policy.

Members were advised that the policy has been reviewed and approved by the College's Policies & Procedures Committee and is presented to the Committee as part of the annual review cycle of the policy.

Members reviewed the detail of the policy noting that its purpose continues to ensure

- the safeguarding of all students and staff, which remains the highest priority
- appropriate checks are undertaken during the recruitment process to mitigate safeguarding risks
- all candidates are considered equally and consistently throughout the whole recruitment process
- compliance with all relevant legislation, recommendations and guidance

Members agreed that the highlighted changes proposed were appropriate and there were no further changes required. However, it was suggested that the Lead Governor for Safeguarding should have the opportunity to review the policy and make any comments before being approved by the Board in December.

**Agreed**

The Finance and Resources Committee approves and recommends to the Corporation Board the Safer Recruitment Policy, subject to any changes by the Lead Governor for Safeguarding

**Lorraine Stoten left the meeting**

**FRC.44.24 Health and Safety Policy**  
The EDEO presented for consideration and approval the Health and Safety Policy.

Members were advised that, other than some housekeeping changes to titles, there are no changes proposed to the policy presented. Members were reminded that the Statement of Intent is required to be signed by the Chair and Chief Executive in order to remain compliant.

**Agreed**

The Finance and Resources Committee approves and recommends to the Corporation Board the Health and Safety Policy and agrees that the Statement of Intent be signed now by the Chair and the Chief Executive

**James McInroy left the meeting**

#### **FRC.45.24 Financial Statements 2023/24**

The CFO presented the draft financial statements for 2023/24.

The Committee was advised that the Financial Statements would be presented to the Risk and Audit Committee at their meeting on 3 December for approval and recommendation to the Corporation Board on 10 December.

The CFO highlighted the main points arising in the preparation and audit of the 2023/24 financial statements:

- there are no adjustments to the previous reported position, the draft statements are in line with the financial position reported at the October meeting of the committee
- letter of representation is to be prepared for the Board to sign off

Members reviewed the detail of the report, in particular:

- Income & Expenditure Account
- College Reserves
- Balance Sheet
- Consolidated statement of cash flows

Members were advised that the financial health rating remains 'good' and that under the current scoring mechanism the College was only a few points away from being 'outstanding', which may potentially mean it will be rated 'outstanding' in 2024/25 and 2025/26. In response to questions the Committee were advised that being rated 'outstanding' may open up other funding opportunities and members asked that this is investigated in order to ensure that the College does not miss out on any of these.

It was agreed that the result is consistent with the financial picture presented throughout the year. It was pleasing to see the positive position of the College as it was acknowledged that the Covid 'lock down' years had held the College back in its growth potential.

Members asked that thanks on behalf of the Committee be passed to the finance team for the amount of good work done with regard to the audit.

#### **Agreed**

The Finance and Resources Committee agreed that

- the financial results are consistent with the financial picture presented through the year and should be commended to the Corporation Board
- the CFO to identify the gap from 'good' financial health to 'outstanding' and any actions to be taken to close this

#### **FRC.46.24 Financial Reporting – Management Accounts to 31 October 2024**

The DoF presented the management accounts to 31 October 2024.

Members were advised that:

- the budget approved by the Board in July for 2024/25 is an operating surplus of £163k, subject to review in November 2024
- The consolidated accounts for the period show an operating deficit of £127k against the budgeted position for the period of an operating deficit of £285k, giving a positive variance of £158k
- Cash balance at month end is £3.1m, which is £460k better than previously forecasted due to delayed invoicing from the capital projects

- the balance sheet shows £690k of net current liabilities due to a high level of other creditors, but the year-end forecast is showing net current assets
- current financial health forecast to be 'good' for 2024/25

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

In discussion, members agreed that the current position presented was a very positive one. However, members considered whether this may be attributable to the budget profiling. The CFO advised that the budget profiling is being reviewed to ensure that will give a more accurate picture going forward.

#### **FRC.47.24 Financial Reporting – Financial update for November 2024**

The CFO presented members with an update on key financial matters, which are in addition to the update provided in the October management accounts.

Members were updated on:

- Autumn budget announcements
- Procurement Act update
- Capital projects
- Castlepoint office
- Accommodation planning
- Land sale update
- Enrolment number for 2024/25

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

- the new Procurement Act has been deferred by Government to publication in February 2025. A summary of the key changes will be presented to the March meeting of the Committee
- Capital projects are now complete, but there remain some snagging items and final accounts are to be agreed with the contractors
- the teams moved to the Castlepoint office have adjusted well with no negativity reported
- additional classrooms were able to be created at Seevic to address the student capacity issue for 2024/25, however current applications for 2025/26 indicate this problem will continue and the College is focusing on implementing a medium-term strategy to address this issue whilst planning a longer-term strategy

- Options Agreement with Persimmon Homes has been approved and funds of £150k received. Persimmon will now implement their planning strategy, but this is currently being reviewed following the recent election as it is anticipated that planning rules may change. The Committee urged that Glenn continue to seek the revised plan and timelines

Members were updated on the enrolment numbers. Current student numbers have exceeded stretched target with the expectation that an additional in-year funding claim will be made for the total number of students recruited over 100. The College is likely to submit an in-year funding claim which, if successful, could be circa £500k.

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.

### **Agreed**

The Finance and Resources Committee agreed to receive and note the:

- management accounts to 31 October 2024
- financial update for November 2024
- the CFO to provide a summary of the Procurement Act for the March meeting

### **FRC.48.24 High Level Budget Review 2024/25**

The CFO presented a report to update the Committee on the progress of the budget review.

Members were reminded that it was agreed at the last meeting to carry out a budget review to establish the financial impact of in-year funding from increased student recruitment and additional costs relating to staffing changes and increases in non-pay costs occurring since the budget was approved in July 2024.

The Committee was advised that

- the review is nearing completion with final work relating to staffing and proposal for staff pay award from April 2025 being finalised; this should be completed by end of November
- the final outcome of the budget review is unlikely to include recent budget announcements of the following made by the government following their autumn budget, which will have an impact on the FE sector:
  - additional £300m 16-19 revenue funding for 2024/25
  - additional £300m capital grant funding for estate condition improvements
  - funding made available to offset the increase in Employers NI
  - Crown guarantee for colleges with respect to LGPS debt, estimated to be a 2% reduction to current contribution rate; valuation planned 2025
  - VAT review for FE to align with schools

Members reviewed the detail of the key budget changes, noting that

- the revised forecast of an improved budget surplus of £313k is subject to change, but currently assumes the in-year funding being fully utilised together with other additional income
- lagged funding for 2025/26 is currently estimated to be circa £1m
- funding/costs for Freeport project is assumed at this time to be neutral but further updates will be reported in the management accounts
- the revised budget continues to assume a £50k contingency is held

- the revised budget does not include the positive impact of additional 16-19 funding announced as part of the autumn budget
- the impact of the Crown Guarantee for Colleges relating to LGPS will not be known until the pension valuation is completed and reported in April 2025

The Committee thanked the CFO for a comprehensive update on the progress of the high-level budget review and were encouraged by the positive position this presented. It was noted that a more detailed mid-year review is planned for February 2025 where the proposed pay award will be confirmed and then will become subject to Board approval at the March meeting.

**FRC.49.24 ESFA letter dated 4 November 2024**

The Committee received, for information, a letter issued by the ESFA which confirmed that, following a review of the College's Financial Forecasting Return 2024 to 2026, it was concluded that the College's financial health grade for 2023/24, based on the outturn forecast, was 'Good' and for 2024/25 is 'Good'.

**FRC.50.24 Any Other Business**

There were no items of any other business.

**FRC.51.24 Dates of scheduled meetings of the Finance and Resources Committee 2024/25**

Tuesday 11 March 2025

Tuesday 24 June 2025

**SIGNED AS A CORRECT RECORD:**



**DATE: 11 March 2025**