



**USP College Corporation
Finance and Resources Committee**

Minutes of the Meeting held on Tuesday 24 June 2025

Via MS Teams

Meeting commenced: 16.00hrs

Meeting ended: 18.00hrs

Present

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

Apologies for absence

Louise Aitken	Independent Member
Dan Pearson	Chief Executive

In attendance

Steven Hendy	Chief Finance Officer (CFO)
James McInroy	Executive Director, Estates Operations (EDEO) (up to item 5 only)

Clerk

Sue Glover	Director of Governance
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FRC.13.25 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.14.25 Apologies for absence

Apologies were received from:

- Louise Aitken
- Dan Pearson

The Committee agreed to accept the apologies for absence.

FRC.15.25 Unconfirmed minutes of the meeting held on 11 March 2025

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

FRC.16.25 Matters arising and action points from the minutes of the previous meeting
Members reviewed the action points arising from the meeting.

The CFO advised that achievement in 'outstanding' financial health will be covered under the budget item on the agenda.

The CFO advised that he had conducted an initial review of the Procurement Act and confirmed there was no immediate exposure or vulnerability for the College. However, he will be carrying out a full review over the summer and report on the outcome to the Committee at the next meeting.

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.17.25 Termly Health and Safety Report

The EDEO presented a report to update members on the current Health and Safety position and activities at the College.

Members reviewed the detail of the report, noting:

- the number of accidents reported through the College's internal reporting system for the year to date;
- the College maintains sufficient coverage with personnel trained in first aid;
- all security, fire alarm installations and firefighting equipment are operational;
- statutory Estates and service inspections have been conducted and completed over the past three months and reports obtained across all campuses

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

- it has been a quieter period for health and safety with no issues on site
- a successful triage scheme was implemented earlier in the year to support the increasing volume of first aid calls, which were found to be welfare concerns and drawing heavily on first aiders' time. By reinforcing management protocols that attention would no longer be given for non-first aid issues, this has reduced the number of calls
- the recent high value water bill was a one-off occurrence due to a previous supplier using a low estimated meter reading for a lengthy period. There is now a new supplier in place and the current meter readings are accurate resulting in future bills not being estimated

The Committee agreed it was a positive report. However, members suggested broadening the scope of the Health and Safety reporting to cover Estates more generally aligning with the property strategy and assessing building quality of capital works. It was agreed that future termly reporting would be a Health and Safety and Estates update to bring these elements together without losing focus on health and safety.

Agreed

The Finance and Resources Committee agreed to:

- receive and note the report
- future termly report to cover Health and Safety and Estates

James McInroy left the meeting

FRC.18.25 Termly Human Resources Report
Members received a report to update on the Human Resources activities for the period September to April 2025, which had been prepared by the Director of Human Resources.

Members noted that:

- good progress has been made in recruitment efficiency, onboarding, safeguarding and professional development with most KPIs on track or exceeded
- staff turnover is consistent with previous years
- sickness absence, particularly long term, has increased compared to 2024 and 2023
- all eligible staff have completed mandatory safeguarding and induction training
- the employee engagement platform 'Even Better Place to Work' has been launched, which is designed to inform staff of the level of service and benefits available
- the gender pay gap, noting the variances between male and female and that a significant percentage of females are in the lowest paid roles

Members agreed that it was a comprehensive report. The positive progress in benchmarking efforts was noted with strong adherence to mandatory training and the initiatives to foster an 'even better place to work'. The level of sickness remained a concern, impacting individuals, students and finances and it was hoped that the 'Even Better Place to Work' efforts would positively influence these levels. Members asked if the gender pay gap was caused by the high level of lowest paid roles held by female staff. The Director of Human Resources was asked to investigate and report back at the next meeting.

Members suggested that future reporting could be framed around a dashboard approach to make data easier to understand rather than being text heavy. It was agreed that this would be discussed with the CEO, including whether this could be implemented across the College in general.

Members agreed that the report presented a positive position with staff and 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 receive and note the report
- to request a report from the Director of Human Resources on the gender pay gap
- future reporting framed around a dashboard approach to be discussed with the CEO

FRC.19.25 Financial Reporting – Management Accounts to 31 May 2025
The CFO presented the management accounts to 31 May 2025.

Members were advised that:

- the consolidated accounts for the period show an operating deficit of £28k; the forecast position shows an expected operating surplus of £105k, resulting in an adverse variance of £133k, an improvement of £155k on prior month
- cash balance at month end is £3.2m and the forecast year-end cash balance has been increased to £2.8m

- the balance sheet continues to show net current assets, and this position is expected to continue to the end of the financial year
- 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 were advised that the main reason for the adverse variance relates to increases in staff costs, an unexpected water bill and additional consultancy costs. Uncertainty remains regarding high needs income with a final reconciliation pending.

Members agreed that the College is in a good position, acknowledging it had managed to deal with the influx of students who were not funded. It was suggested that future reporting could incorporate a dashboard to improve visualisation and that updates on any clawbacks should be included in the summary. In addition, members asked if XR Studios and Higher Education could be reported separately within the management accounts.

Agreed

The Finance and Resources Committee agreed to:

- receive and note the management accounts to May 2025
- review the incorporation of dashboards in the management accounts summary
- XR Studios and HE to be reported separately within the management accounts

FRC.20.25 Financial Reporting – Financial update for June 2025

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

Members were updated on:

- New year budget 2025/26
- In year funding
- Property strategy
- Capital projects
- New build feasibility
- Land sale update
- Enrolment number for 2024/25
- Finance Team

Members discussed the issues raised in the report and, in response to questions, were advised that the Property Strategy is currently being updated and will capture the requirement for a new build to replace end of life buildings at the Seevic campus and address the need for future additional capacity.

It was agreed that the Property Strategy would be finalised over the summer and presented to the next meeting of the Committee for consideration and recommendation for approval to the Board in December.

The Committee thanked the CFO for a comprehensive update on College matters.

Agreed

The Finance and Resources Committee agreed:

to receive and note the financial update for May 2025

- for the Property Strategy to be presented to the next meeting of the Committee

FRC.21.25 Financial Plan 2025 – 2030

The CFO presented for consideration and approval the Financial Plan 2025-2030. Members were reminded that the plan was previously presented in June 2024 and is updated annually.

Members were advised that the College is forecasting 'outstanding' financial health for next year. This is an improvement from 'good' in 2024/25 and is a result of increased income, a healthy cash position and a reduced ratio of borrowing.

Members reviewed the key aims and KPIs, noting in particular the current ratios, cash in hand days and staff percentage of income. It was acknowledged that the level of staff percentage of income is set higher than the DfE's preference due primarily to the College being heavily weighted towards that of a sixth form provision.

It was agreed that the financial plan presented was appropriate, noting that some further minor amendments will be required following approval of the budget for 2025/26.

Agreed

The Finance and Resources Committee agreed to approve and recommend to the Corporation Board for approval the Financial Plan 2025-2030

FRC.22.25 Draft Budget and Capital Plan for 2025/26

The CFO presented the draft budget and capital plan for 2025/26, together with a separate powerpoint presentation, for consideration and recommendation for approval to the Corporation Board.

Members were advised that:

- the budget proposes a surplus of £547k as a likely case, indicating a strong position for the College
- the budget includes an allowance for a 3% pay award from April 2026
- the budget includes a general contingency of £250k which includes specifically the net costs of Apprenticeships, Well-being and Coventry
- the budget projects a total income of £30.5m, an increase of £3.7m and a total expenditure of £29.9m, an increase of £3.3m

Members reviewed each of the appendices:

- Appendix A – draft budget summary 2025/26
- Appendix B – draft budget summary – best case, likely case, worst case
- Appendix C – remaining actions to be completed
- Appendix D – high risk budget areas – for close monitoring and review
- Appendix E – capital plan 2025/26

In discussion, members considered XR Studios, noting this is currently operating at a loss, but acknowledged the plans in place to move this to a small surplus by 2026/27. In order to monitor these plans, it was agreed that the business plan for XR Studios would be presented to the Committee in the autumn term.

The Committee considered that the budget presented was a healthy and realistic one with medium risks. The proposed surplus budget of £547k was agreed and should be presented to the Corporation Board on 8 July for approval. The Committee were keen to support a pay award for staff if possible, acknowledging that this would be considered once the planned budget review in the autumn term had been completed.

The College's financial health would improve to 'outstanding' under this proposed budget.

Members were advised that the College Financial Forecasting Report (CFFR) will incorporate the proposed budget. This will be presented to the Board at the meeting in July together with the budget. The CFFR is to be signed by the Accounting Officer to confirm

- the 2025/26 Budget has been approved by the Board; and
- the Board agrees with the forecast Financial Health and the Summary Outputs of the CFFR; and
- the CFFR supports the Strategic Objectives

The Committee reviewed the proposed capital plan for 2025/26 of £2,173k, noting that £1,227k was being funded by the College and £946k by capital grants. The CFO confirmed that, given the budgeted cash flow and the imminent changes to the accounting rules, there was no intention to enter into any further finance leases.

Agreed

The Finance and Resources Committee recommends for approval to the Corporation Board the draft surplus budget and capital plan for 2025/26.

FRC.23.25 College Policies

The CFO presented the following policies for consideration and approval

- Fees, Loans and Refunds Policy
- Reserves Policy
- Treasury Management Policy
- Financial Regulations

Members were informed that there were only minor title changes to each of the policies and that the Financial Regulations would be further reviewed once the implications of the new Procurement Act are known and then presented to the Committee for consideration.

Members reviewed each of the policies presented and agreed they were appropriate with no further changes required.

Agreed

The Finance and Resources Committee recommends to the Corporation Board for approval the following documents:

- Fees, Loans & Refunds Policy
- Reserves Policy
- Treasury Management Policy
- Financial Regulations

FRC.24.25 Terms of Reference and Annual Schedule of Business for the Finance and Resources Committee 2025/26

The Director of Governance presented a report which outlined the need to review, on an annual basis, the Committee's Terms of Reference and Annual Schedule of Business.

Members reviewed the highlighted changes to both documents which reflected the business conducted during the year and agreed to the proposed amendments. It was agreed that the annual schedule of business would be amended to reflect the termly health and safety reporting to include estates as discussed at the meeting.

Agreed

The Finance and Resources Committee recommends to the Corporation Board for approval the Terms of Reference and Annual Schedule of Business for the Finance and Resources Committee for 2025/26, subject to amendment as discussed

FRC.25.25 Any Other Business

There were no items of any other business.

FRC.26.25 Dates of scheduled meetings of the Finance and Resources Committee 2025/26

Tuesday 7 October 2025
Tuesday 25 November 2025
Tuesday 10 March 2026
Tuesday 23 June 2026

SIGNED AS A CORRECT RECORD:

DATE: 7 October 2025

