

Minutes of the meeting of the Finance and Estates Committee held via MS Teams on Wednesday 27th November 2025 at 17:25

GOVERNORS PRESENT: Edward Rawson, Chair
Paul Wheeler, Vice Chair
Kudzai Muzangaza
Andrew Cropley, Principal and Chief Executive Officer

ALSO IN ATTENDANCE: Jon Fearon, Finance Director
Gavin Peake, Director: IT, Estates and Learning Resources
Eloise Hopkinson, Head of Governance

		ACTION by whom	DATE by when
1	<p><u>DECLARATIONS OF INTEREST</u> The chair reminded everyone present to declare any interests that they may have on agenda items scheduled for discussion. Standing declarations were noted.</p>		
2	<p><u>WELCOME, INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u> No apologies were received, with all members of the committee present.</p>		
3	<p><u>MINUTES OF THE MEETING HELD ON 2ND OCTOBER 2025</u> The minutes were reviewed and it was agreed that they were an accurate record of discussions. As the confidential minutes from the same date were concerned only with the approval of the previous set of confidential minutes, it was agreed to also approve them at the same time.</p> <p>AGREED:</p> <ul style="list-style-type: none"> to approve the public minutes of the meeting held on 2nd October 2025 to approve the confidential minutes of the meeting held on 2nd October 2025. <p>There were no matters arising.</p>		
4	<p><u>ACTION PROGRESS REPORT</u> The committee members were happy to note the content of the update provided.</p>		

Signed: Edward Rawson Chair

Date: 3/2/26

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RECONCILIATION OF THE FINANCIAL STATEMENTS AND JULY 2025 FINANCE REPORT

The finance director presented his brief report. He explained that there was a £50k variation in the EBITDA between the management accounts and the final position. This was largely because of stronger performance in adult skills, which came in before period 13 closed down. The finance director had been prudent in relation to the adult skills outturn, and it was beneficial that it turned out so positively. In addition, the level of work placement in 2025/26 is significantly higher, and it has been possible to defer funding into the following year. This was supported by a need to boost resources and bring in a role to enhance engagement with employers. The auditor was happy with this.

The finance director also noted that there were a small number of withdrawals in apprenticeships by the final close down.

Furthermore, the college had more time before the close-down this year to identify late claims for teaching costs. This can include overtime, for example, where a teacher has gone over their contracted teaching hours – many staff members and sessional staff submit claims pertaining to the previous academic year upon their return to work after summer. This can be because of misaligned availability during the summer period, when managers and staff are not necessarily onsite at the same time to sign forms. The finance director explained that this was possibly not a high amount per individual claim, but it adds up when these are all submitted together. Governors asked whether an amount has been accrued for this or whether it is done on a case-by-case basis. The finance director clarified that the processing window was open slightly longer this year, providing a two- or three-week period during which the college could continue to review transactions. Therefore, more claims were found on this occasion than would usually be the case. However, he confirmed that an element does run over each academic year for this very reason.

The windfall in relation to revenue has allowed a £150 staff bonus per FTE, as approved at the previous committee and board meetings, at a cost of approximately £145k.

Governors noted that it would be difficult for the overall contribution to be any smaller, and they agreed that this was a positive update.

AGREED: to note the reconciliation and update.

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OCTOBER 2025 MANAGEMENT ACCOUNTS

The finance director presented the management accounts for October 2025, focusing on the following key points:

- There had been a positive start to the year: revenue is on track, and performance in adult skills is strong.
- There had been an overspend on non-pay, particularly due to departmental spend against budgets. However, the finance

Signed: EA Almon Chair

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director indicated that this was primarily as a result of frontend loading of spend, as well as some areas spending more due to higher learner numbers. This needs to be recognised within the budget, but it should slow down. The situation is being closely monitored.

- A small change is being seen in relation to apprenticeships – the college performed well last year but there has been a slowdown due to employers’ reluctance to take on apprentices. However, there has been a strong start in air conditioning, which should gain further ground later. A staffing issue caused a delay to these starts as the college wanted to be in a strong position before taking on more learners. However, things should now be in place for a December and/or January start. The college does not want to risk the quality in relation to this provision.
- Apprentice numbers are down in business administration and customer service, as well as some elements of construction. The frustration felt by employers in relation to National Insurance, as well as concerns around growth and recruitment, mean that far more businesses are reducing the number of apprentices which they are willing to take on, or are at least holding back to await more information. Nonetheless, the college has still seen a significant number of starts, just not at the ideal level – 32 employers who would usually start apprentices in September have not done so this year. Now the budget has been announced, team will have a push to galvanise some of them into taking apprentices after all and catch up on numbers.

The committee noted that the budget announcement – made the day before the meeting – indicated that apprenticeships for those under the age of 25 would be free for SMEs. Governors asked how this would impact the college. The finance director explained that a number of these businesses would already receive some remission for 16-18-year-olds. As taking a 19-year-old is now a better option for SMEs than it was previously, when concessions were only available on 16-18s. However, the levy pot has lost its 10% premium, so levy payers have to pay more if they go over. However, levy payers only represent 5% of college’s apprenticeship employers, and the local market is primarily SMEs. Therefore, this could be positive for the college, but this will not be certain until the change has come into effect. The finance director felt that this change would not happen until April 2026; therefore, the impact may be experienced next year rather than this year.

The finance director also explained that the college was hoping to launch foundation apprenticeships in September 2025 but had only just received confirmation of which awarding organisation would pick these up. Now that an awarding organisation is in place, the college can look at how to introduce these. The finance director anticipated that it would be possible to bring in foundation apprentices from February onward and, hopefully,

Signed:  Chair

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some young people will move from Further Education to work via this model.

Governors questioned whether the position in relation to apprenticeships was recoverable in-year. The finance director explained that this would remain as it was in-year but that there would be some reallocation of resource as staff who would usually deliver apprenticeships would be less busy.

The adult offer includes some new options which the college has not been able to deliver before, and the team continues to diversify this.

The college is also planning to introduce something like an apprenticeship in the electrical industry but where the learner does not need to be with a single employer, and a pilot is underway. This could work for self-employed individuals. The finance director indicated that it was necessary to ensure that revenue sits within the right department.

The finance director assured governors that the 16-18 growth will balance the reduction in apprenticeships. He also explained that, while a lot of employers do not necessarily see the benefit, the NI exemption is a very good benefit for the college to promote as part of the package. However, while this may make apprenticeships more tempting, apprentices' wages have increased within the budget, which will possibly counter the savings.

The finance director assured the committee that, overall, the management accounts do not currently present any concerns. He had had a discussion with the auditor about one partner owing money to the college. However, this was received prior to the final meeting with the auditor, which strengthened the cashflow position. Another partner also has a small amount of debt due to a live project, but the finance director has met with the partner to discuss arranging a payment schedule.

He noted again that there had been a positive start to the year, and he advised that he had already started to make suggestions to EMCCA about additional funding to support further growth.

AGREED: to note the content of the update provided.

7 IMPACT OF THE NATIONAL MINIMUM WAGE ON THE BUDGET

The finance director provided a verbal update in relation to the National Minimum Wage announcements for April 2026. He indicated that the college had known for a while that the rate of inflation for the NMW would be more than was originally budgeted.

The rate now confirmed means that, in April 2026, band 3 employees will need to receive another pay increase on top of October's. The college intends to set its minimum rate of pay (band 3a) at 5p per hour higher than the NMW. However, the college will then need to immediately recognise

Signed: *E. W. M. M.* Chair

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that it will also be necessary to also increase band 3b to retain the current differential of around £600 per year between 3b and 3a. Band 4 will also need to increase to again protect the differential. The finance director proposed that the pay review for support staff on bands 3 and 4 to be moved to April each year so that it can be aligned with the annual National Minimum Wage increases. The finance director informed the committee that the biggest cost to the college does not lie in the pay increases to align band 3a with the NMW (which is only £8k different to the budget) but in maintaining the differential for bands 3b and 4, which increases the cost to around £62k. If these staff had received this pay award before the normal contractual period, it would have meant an additional £78k cost to the college. The finance director suggested that the £62k cost was likely to be covered by growth, if the college does receive in-year funding. Therefore, the finance director asked the committee to recommend that the board approve for bands 3a, 3b and 4 to always receive their pay review in April from 2026 onwards, and for the differential between each band to be maintained at the next pay review in April 2026.

In response to a query from the committee, the finance director explained that a recent update suggested that there is a budget for in-year growth funding. However, he was not currently certain at what rate the college will be funded at – his estimate was £500k, but it could be higher. The committee questioned whether this funding would be needed to offset the reduced construction apprenticeship numbers. However, the finance director informed members that reduced apprenticeship numbers should theoretically mean increased FE demand. Therefore, it will just mean that the revenue stream moves from one to the other. He also reiterated his earlier point that the foundation offer will increase access to apprenticeships.

On an annual basis, this proposed pay increase will mean a cost of around £130k, but the finance director noted that the alignment of Band 3a to the NMW was unavoidable anyway. He indicated that the extra cost above unavoidable increases would be around £38k. However, the danger of not maintaining pay differentials is that this would be demotivating and would risk the loss of some staff members. He noted that the differentials were put in place so that skilled workers were not receiving the same pay as unskilled workers. The college already sees a lot of attrition in the lower paid areas.

One governor asked how long the differential between bands has been at its current level, particularly pointing out that inflation will have eroded its value. The finance director acquiesced that it had been eroded, but he suggested that each individual's pay increase would otherwise be around £1k per year. as a result and admin workers on just over £25k which is not that high considering the expectation put on them, whereas minimum wage £24.5k.

Signed: EWK Chair

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The finance director suggested that it was not necessary to make this decision yet, and that it could be pushed to February. He would have a better idea of affordability and potential in-year funding at that point and could make a more informed recommendation. The head of governance recommended that the decision be made in February as it would then be possible for the finance director to present a paper with the full detail of the figures and cost. The committee agreed that this would be a better point at which to receive this proposal and that having a written paper would be preferable to a verbal update.

AGREED: to note the content of the update provided.

8 FINANCIAL REGULATIONS REVIEW

The finance director provided the updated Financial Regulations, detailing the key changes as follows:

- References to the ESFA have been amended the Department for Education.
- References to the Post-16 Audit Code of Practice have been replaced with the 'Framework for auditors and reporting accountants of colleges' and a definition of the latter has been included within the 'Terminology' section.
- 'Roles defined by the college financial handbook' has been updated to include governors and trustees.
- 'Receiving gifts and hospitality' has been updated to add slightly more clarity and to also refer to governors, in line with an action emerging from the 2024 audit of corporate governance.
- Reference to EU regulations has been amended to the Procurement Act.
- Authorisation limits have been increased by 10% to reflect increasing costs. These were overdue for an increase, having been static for the past three years.
- The scheme of delegation has been updated to provide more guidance in relation to severance or other special payments to staff.
- Links to key DfE documentation and guidance have been included within the document so that the live versions can be accessed, particularly the college financial handbook. The DfE tends to issue notifications when its guidance is updated, so the college can remain live to the detail of all changes.

Committee members were asked to discuss the proposals and recommend the updated document for approval by the Corporation Board.

One governor questioned why severance payments were reflected twice within the Financial Regulations, once within the main body and again within the scheme of delegation at the appendix. The finance director explained that this was to ensure the college's controls in relation to these payments were as stringent as possible. He advised that these controls have been placed upon the college by the DfE – some payments are not special (i.e. not outside contractual terms), and it is important to ensure that there

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is clarity. If going beyond a contractual payment, this becomes a special payment.

Governors asked whether the handbook has a set of redundancy terms as standard. The finance director explained that these are as per the college's employment terms as standard. The college does not have enhanced redundancy terms, just statutory. Anything beyond this would be classed as special severance.

AGREED: to recommend that the Corporation Board approve the Financial Regulations as presented.

9 **RISK REPORT**

The head of governance presented the risk register, detailing updates for the committee to note and discuss. Key points highlighted were as follows:

- One new risk for the Finance & Estates Committee's oversight had been added since the previous meeting, pertaining to issues within the flooring at Portland Square. The director: IT, estates and learning resources was handling the issue and receiving quotes and solutions to resolve the matter.
- There were five relevant red risks on the register, all of which had been present at the date of the previous meeting. Of these red risks, two had been added during 2025/26, one was from 2024/25, and the other had been added in 2020/21. It was noted that this latter risk was in relation to cybersecurity and, as such, was unlikely to ever be removed.
- No risks under the committee's oversight had been removed since the date of the previous meeting.

It was noted that the reporting format had been updated slightly, and governors were asked to feed back as to whether this was more helpful.

Governors were happy with the format, but the vice chair asked that the risk mitigation detail within the report be updated to include more information about precisely what has been updated and why. Otherwise, it was agreed that the report shows governors what they really need to focus on.

AGREED: to note the content of the update provided.

10 **CONTRACTS UPDATE**

The finance director informed the committee that he did not have any contract amendments for approval at this point. There were also no franchise changes, but he noted that he was trying to speak to EMCCA about broadening engagement with community learning providers. He clarified that some small providers have been cut out of the system as they are too small to contract with EMCCA, but the college could work with them very effectively. This could be a collaborative partnership model, with the

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college being seen as a sort of broker to facilitate the arrangement. The finance director will see whether anything develops from this suggestion, and the committee and board will be kept informed. At the moment, however, there was no action to be taken.

AGREED: to note the content of the verbal update provided.

11 **CAPITAL PROJECTS AND ESTATES REPORT**

The director: IT, estates and learning resources presented a detailed update in relation to ongoing capital projects and estates matters.

- There are a number of curriculum and team moves to manage between different buildings and sites, which delays are making more difficult.
- The Julias Way contract should be received tomorrow. The director had hoped to get this sorted in September, but there was a dilapidations dispute between the owners of the site and the current occupant. The director has tried pressurising the other parties to hurry this along, but to no avail. However, he believes that they are now just finalising a couple of points. If this can be resolved in time, work will start on Monday to get as much done by Christmas as possible and move motor vehicle into the site by the third week of February.
- In relation to Portland Square, the director explained that 1930s concrete was built to a different standard as modern regulations require. Now that some of the concrete flooring has been exposed and its makeup and content have become apparent, the structural engineer has said that this cannot withstand the load which the college would need to place on the floors (i.e. 80 students, furniture and walls, with some equipment hanging from the underside). The college has appointed its own structural engineer – FG Marklands – and their report suggests that the existing floor can be strengthened by installing steel reinforcements underneath. A meeting will take place to discuss this solution so that the engineer can eventually sign the issue off safely. This will not impact the floors underneath. The director does not yet have a price for this solution, but he indicated that steel reinforcement would be more cost-effective than the other option of effectively demolishing two floors and installing a mezzanine.
- Another issue relating to Portland Square was that the college is required to add more insulation. The director has met with building control, and they are happy that the areas of the building into which the college plans to expand in future can be delayed until this later point. Therefore, while this is a problem for the next two or three years, the college can occupy the building in the meantime.
- The director shared a diagram with the committee, which indicated which parts of Portland Square are affected by these issues. He informed governors that he had negotiated with curriculum teams as to when they can move, etc. The Electrical team members had already asked to remain where they currently are until Easter, so

Signed: *Emma Woom* Chair

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this now just means that they will remain in place until September. This will allow time to finish those parts of the building that need work, which just happen to be in the area which was intended for electrical curriculum. The director was confident that he will be able to move the Plumbing in, but some adaptations will need to be made.

- Chesterfield Road remained on target, and very pleasing progress had been made. The director informed the committee that the roofing work had six phases, and the first four were complete and phases 5 and 6 underway. The contractor has been pulling in extra resource to complete the work before the bad weather starts in earnest. The quality of the work is excellent, and the building looks exactly as it did before. This was a major concern for the council and the conservation officer, so this was noted to be very positive. The roof could realistically last 100 years and has a 25-year guarantee, as do the flat roofs. The work on the windows was also well advanced, having moved into phase 2. Again, the new windows are as close in appearance as possible to the old windows and will have 25-year guarantee.

The finance director stated that, in addition to the Towns Fund, there was some money available from the DfE which can be spent on the Portland Square site. Therefore, the college has been able to build in a contingency to cover the work required. The college has also been able to put some capital funding towards the windows for this building so that the cost was not a financial shock.

AGREED: to note the content of the update provided.

12

SPACE UTILISATION

The director: IT, estates and learning resources presented an in-depth report.

- The picture was improving.
- There was concern that the number of additional buildings and space would decrease utilisation as there is some spare capacity in some areas of the college. However, it was noted that there was not too much of a difference in comparison to last year. Most areas are at the same (or almost the same) level of utilisation, while others have significantly improved.
- Utilisation of some workshops is improving, particularly medium-scale.
- Large-scale spaces still have some improvements to make, although there has been some progress. The director hoped that further improvement will be seen as teams move to their permanent bases.
- The buildings feel very busy right now. Next academic year, it will be necessary to manage social spaces and breaktimes more closely. Timetabling will be taken under central control to aid this effort.

Signed: *Emma* Chair

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- The director was comfortable that there will be space to grow across the board in 2026/27, but he indicated that he will start to worry for 2027/28.

The principal observed that there was a downward trend at Oddicroft Lane. The director explained that this is because motor vehicle had been moved out for the engineering curriculum area to expand, but this will improve as numbers grow.

The college was already 20% up on recruitment for the next academic year, and a lot of work was underway to see how utilisation could be improved even further. The Executive team has already discussed more efficient timetabling on Fridays and better usage of shared spaces across the college.

Governors agreed that this was a positive update.

AGREED: to note the content of the update provided.

13

SUSTAINABILITY

The director: IT, estates and learning resources presented an in-depth report, noting a focus on two particular areas:

Salix bid

- The director was preparing for the Salix spend, which will be available in March 2026. A third-party firm has been appointed, with previous experience of installing air-source heat pumps in a number of colleges. This company seems significantly more knowledgeable about the sector than the other firms that were bidding.
- The director continues to meet with Salix every three months, most recently within the last week. He confirmed that the project was on track – he was looking at solutions for replacing the boilers, including the most efficient way to do this and the right sizing for some of the equipment.
- The money for the solar developments will be available in March 2027, so that work will commence then. Background work is underway at the moment and making progress.

Waste management

- The previous waste disposal company did not weigh the waste, so it was not possible to track improvements. Therefore, a new company has been appointed, and that company has a commitment to not send anything to landfill. Instead, waste is burned, and the resulting heat is used to power other systems, e.g. hot water. This company weighs everything, providing figures in relation to how much food waste, glass, and general recycling the college produces.
- To aid in achieving this improvement, the college trialled specific, sorted waste bins at Chesterfield Road. The biggest problem has

Signed:  Chair

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always been contamination of recyclable waste, as one erroneous item within a recycling bin causes the whole bin to become general waste. It was found that putting transparent bins and bags in place makes people pay attention and sort their waste correctly 98% of the time. Based on this success, these bins will be rolled out across the whole college, with 60-70% of sites now complete and seeing the same results as during the trial.

The volume of carbon produced by the college continues to be tracked. The director warned governors that there will be a blip this year as, last year, the college moved away from the environmentally friendly electricity due to a price increase. However, it has now gone back to that service, so carbon levels should be back on track next year. The graph provided showed that the college was generally producing less CO₂ as time moves on.

The director also reported that he attended an Employee Council meeting and discussed a lot of the improvements made. He found that some staff were upskilling to deliver sustainability qualifications. There are a lot of good stories to tell and a lot going on in the background, but it was noted that staff were rarely made aware of this activity. Therefore, the director was going to try harder in 2026 to pull a webpage together for staff and students to announce the achievements and improvements made.

Governors raised a question in relation to how much has been recycled, noting that the percentage within the report did not align with the figures given. The director advised that the figures were lifted from the report provided to him by the company, so he was not able to check within the meeting. However, he explained that the actual improvement is in the fact that the college has moved from recycling approximately 50% of its waste (this percentage being only anecdotal) to 58% of the waste definitely being recycled. It is just the tonnage which will need to be checked.

Governors referred to the new waste disposal company having planted four trees planted on college's behalf, asking whether it might be possible to obtain information as to where these were planted. The director agreed that he may be able to request this from the company. It was noted that this was not a large number of trees, considering the amount of waste produced. However, the director reminded governors that the contract was only switched in the summer, so this is not many months' worth of information.

AGREED: to note the content of the update provided.

14 **BIDS AND PROJECTS UPDATE**

The committee was presented with a verbal update, with key points as follows:

- In relation to the Mansfield Ambition Exchange, the capital phase had been completed with Mansfield District Council, and the college would now start to report on the outputs and utilisation.

Signed: *E-AN Munn* Chair

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The finance director stated that R04 would be used as the data return point.

- Referring to the Station Park construction centre, the college is now closing things down with Ashfield District Council in terms of claiming the grant.
- The Portland Square grant agreement is in place and spend profiles are now going into Ashfield District Council. Outputs will start to flow from February.
- The civils project was described as being 'in limbo' as the college was waiting for a piece of work to be completed in order to be able to move into the Ashfield depot. Final confirmation of the construction cost for the workshop had been received – this was within the remaining grant funding. Work was being done on the access to the site and parking, following the flooding in 2023. This flooding meant that work was necessary to raise the ground, which will slightly alter the access route. Approximately £200k contingency is being held for this, but the finance director indicated that he may have found a cheaper method. He noted that it would be good to resolve this so that the issue is not repeated. He also informed the committee that a 100-year flood plan was completed prior to the flooding incident, and this did not flag up any risk.
- Projects were progressing well, and activity had increased in the construction centre. The college has achieved growth and already hit its targets, and it now needs to evidence this to the two district councils via the relevant data returns.
- A risk had been identified and added to the risk register in relation to the additional expenditure on Portland Square.
- The principal explained that he had been trying to emphasise the point to EMCCA that the college's region did not receive the same level of investment as the rest of D2N2, and majority of its funding has been from the local councils. He tried to drive home the point that now would be the time to level this out and put this investment in. It would be good to see some major strategic capital investment in this area, and EMCCA has been made aware that the college has applications and projects ready to go if and when funding is available.
- Governors were also made aware that the growth funding allocation may potentially go to the devolved mayors for them to decide how to spend it, rather than directly to FE colleges.

AGREED: to note the verbal update.

15 **ANY OTHER BUSINESS**

There were no items of additional business.

16 **DATE AND TIME OF NEXT MEETING**

The next meeting will take place on Tuesday 27th January 2026 at 17:00.

The meeting closed at 19:00.

Signed: *E. A. M. Munn* Chair

Date: *3/12/26*