

Minutes of the meeting of the Finance and Estates Committee held via MS Teams on Tuesday 3rd February 2026 at 17:30

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

ALSO IN Jon Fearon, Finance Director
ATTENDANCE: Gavin Peake, Director: IT, Estates and Learning Resources
Eloise Hopkinson, Head of Governance
Jonathan Mills, Special Advisor: Employer Engagement (observing only)

		ACTION by whom	DATE by when
1	<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.		
2	<u>WELCOME, INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u> Apologies for absence were received from Paul Wheeler. The special advisor to the board was welcomed to the meeting as an observer.		
3	<u>MINUTES OF THE MEETING HELD ON 27TH NOVEMBER 2025</u> The minutes were reviewed and it was agreed that they were an accurate record of discussions. AGREED: to approve the minutes of the meeting held on 27 th November 2025. There were no matters arising.		
4	<u>ACTION PROGRESS REPORT</u> The committee members were happy to note the content of the update provided.		
5	<u>DECEMBER 2025 MANAGEMENT ACCOUNTS</u> The finance director presented the management accounts for December 2025, focusing on the following key points: <ul style="list-style-type: none"> The college had exhibited good performance up to the end of December. 		

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- The EBITDA figure had been tested through the system verified against the trial balance, so it was known to be accurate.
- There had been strong performance on revenue, and the college had not yet recognised any 16-18 funding growth from the Department for Education. The finance director expected to receive some information about the level of allocation this month, with this funding to be paid from April to July. However, he noted that this would be slightly limited and reduced due to T-Level performance having been below target.
- The finance director particularly highlighted the activity with the Department for Work and Pensions and indicated that performance within the greater East Midlands had been positive.
- Some elements of the EMCCA claim had not been maximised, and the finance director had been working with EMCCA to close this down. He assured the committee that this would come in on target and there was still growth.
- Overall, revenue was up but apprenticeships had started to dip – a significant amount of activity was still planned in-year, but there had been some delays in starts due to some employers exhibiting nervousness in relation to taking on apprentices.
- There had been a delay in starting the second air conditioning programme, but the college would still like to get a third in place by the end of the year.
- The college was still trying to commence some foundation apprenticeships. These would be eight months in duration. The delay had been caused by the fact that an awarding organisation only came forward in November.
- Overall, apprenticeship income was £207k off target, year to date.
- Staffing remained under budget with a pay vacancy saving set of £250k year to date. The finance director anticipated that pay would increase later in the year, but he felt that there would still be a saving.
- The college had overspent on non-operational costs, mainly in non-teaching departments. However, there had been a saving in December, and the college was starting to move back into line with the budget.
- There had been significant increases in catering costs, but there was potential to have an external review on the costing structures to see whether any efficiencies could be made.
- Grants were £55k above budget in-month.
- Therefore, there was strong performance overall, and the finance director explained that performance had not been as strong as this for some years. The main reason for the improvement was that the college was starting to see the benefit of 16-18 growth achieved, and the finance director expected that this performance would be repeated over the next few years.

The committee chair raised a question in terms of staff costs having a stable variance, recalling that the same thing happened last year as costs were

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backloaded to the end of the year. He asked how this year would compare to last. The finance director explained that he had tried to frontend vacancy savings even more so as not to mislead in relation to pay. He also explained that the impact of the National Minimum Wage increase was higher last year than he would expect it to be this year. He felt that the college would remain much closer to the budget this year and would hit targets, regardless of the proposal for a pay which would be presented for recommendation to the Corporation Board under the next item.

Governors were pleased to note the strong position reported.

AGREED: to note the content of the update provided.

6 BUDGETARY PAY CHANGES

The finance director presented his detailed report. He noted that three changes to pay costs were not included in the 2025/26 budget:

- an increase in the National Minimum Wage above what had been planned, which would impact pay from April 2026
- a saving in LGPS pension costs from April 2026
- increased Executive team pay costs from April 2026 due to the handover period between the current finance director and the new chief financial officer.

National Minimum Wage

The allocation originally budgeted (£12.52 per hour) was slightly lower than the announced NMW (£12.71 per hour). The impact of this within the current academic year would be £18,804 across support bands 3 and 3b, and each full year thereafter it would be £42k.

However, enacting this change alone would remove the pay differentials within the structure. These differentials must ideally be reinserted as they enable the college to benefit from better recruitment and retention within the lower pay bands.

Therefore, the finance director recommended that the college should do the following:

- Set £12.75 per hour as its minimum pay – this would impact band 3 only and would have an impact of £907 in-year and £2,721 each year thereafter. This rate is slightly above the National Minimum Wage, which is the college's preferred approach where possible.
- Increase the hourly rate for band 3b to £12.99 to reinstate the differential.
- Increase the hourly rate for band 4 to £13.51 to reinstate the differential.
- Move bands 3, 3b and 4 to an April pay review date, so that increases to these bands always align with the NMW review each year.

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- Keep bands 5 and 6 at the current pay rate until the next across-college pay review is proposed, as the differentials remain sufficient.

This would have a cost of £36,375 in 2025/26 and a cost of £73,657 in a full year. It was noted that the pay saving discussed within the previous agenda item will partially offset this additional cost.

The finance director indicated that he was asking the committee to recommend these pay increases to the Corporation Board for approval.

LGPS

- The college's Local Government Pension Scheme costs continue to reduce as support staff roles switch from WNC contracts to VBSS through the natural recruitment process. For the last two financial years, the scheme has been described as an asset rather than a liability. As a result, the actuary has recommended that the college's employer contribution be dropped from 19.6% to 18.5% from 1st April 2026. This would result in an offset of £16.8k, which can be used to contribute to the recommended pay increase.

Increased Executive costs

- Governors were asked to note that, due to the crossover period where both the current finance director and the new chief financial officer would be in post simultaneously to allow a suitable handover to be conducted, Executive costs from April 2026 to June 2026 would be approximately £38k higher than budgeted.

The finance director explained that the overall impact on the 2025/26 EBITDA of the three items described would be an additional cost of £76,363, and he asked governors to approve this adjustment.

Governors agreed that the narrative made sense, and they supported the pay proposals.

One governor questioned why the college's pay reviews are implemented at different points in the year. The finance director explained that, contractually, incremental pay increases are implemented from December, but percentage increases (i.e. across-college reviews) were historically implemented from January. For a number of years, elements of incremental pay have been merged into the pay offer presented to unions and both have been implemented from December. However, as incremental support bands have been phased out and most remaining support staff on WNC contracts are at the top of their bands, the only incremental posts now remaining are teachers and those progressing through teaching management. The finance director explained that he was proposing to move the three lowest pay bands to an April review date as they were no longer impacted by incremental increases and this would better enable the college to align them with the NMW and avoid erosion of the differentials

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between the bands. He noted that it may eventually be necessary to include band 5, but the differential between that and band 4 is currently healthy enough for things to remain as they are.

One governor noted that improved retention was a good news story, and he questioned whether the local market had been analysed to inform findings and identify trends. The finance director indicated that he had met with a major recruitment agency and was informed that challenges for local employers are around the minimum wage. The best measure the college was able to see was that there were now much better numbers of applicants for lower paid roles which, in the recent past, received no interest.

AGREED:

- to note the content of the update provided
- to approve the adjustment of the projected EBITDA for 2025/26 by £76,363 to cover the pay changes proposed
- to recommend that the Corporation Board approve a minimum pay of £12.75 per hour (band 3)
- to recommend that the Corporation Board approve the proposed increases to pay for bands 3b and 4 from 1st April 2026, with band 3 to increase to £12.99 per hour and band 4 to increase to £13.51 per hour.

7 **EXCEPTIONS REPORT – ANY AREAS OF CONCERN**

The finance director informed the committee that there were no exceptions areas of concern to report.

8 **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:

- Three risks have been added for oversight of the committee. These relate to the insurance requirement of the installation of a sprinkler system in the undercroft parking area; the rewriting of the management reporting pack to read directly from Business Central; and the necessity for further refinement to enhance Financial Regulations control within procurement.
- Four red risks remain on the register which fall within the committee's remit. One of these was added in January 2026; one other also dates from the 2025/26 academic year; one was added during the previous academic year; and the final risk is from 2020. The longevity of the latter risk has previously been discussed and accepted by the committee.
- Four risks have been removed by their owners since the previous meeting of the committee. Three were removed because the risks had been completely mitigated, and the fourth was removed as it pertained to the National Minimum Wage and all relevant points have since been combined within one risk.

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Governors welcomed the new format and felt that it was helpful. However, one governor observed that the value was still to be confirmed in relation to the sprinkler system issues, and he asked for a brief explanation of the situation and what direction the college would be most likely to head in. The finance director explained that the worst-case scenario was that the college's insurer, Zurich, might limit the liability at Derby Road to £10m, which would be substantially lower than the value of the site. What had not yet been possible was defining the standard of sprinkler needed. The college had been trying to get an answer from the insurer in relation to this. It was noted that, from an insurer's point of view, car parks have become a greater risk. While this was not entirely due to electric vehicles, they had heavily contributed to and heightened the view on risk.

The finance director explained that the college had received two quotes for two different systems: £375k for a misting system and £750k for a full water-based system. It would not be desirable to opt for the more affordable system and then find that it was inadequate, and the finance director indicated that he was not actually certain that either of these options would deal adequately with an electric car fire. Another serious option would be to remove the car park and enclose the area, turning it into classroom space. However, the college was also going out to tender for its insurance, and Aviva had been invited to conduct a pre-check and discuss their view of risk. It was noted that Aviva may take a different view to Zurich, and it was difficult to move forward with this without having that information and the confirmation from Zurich as to what the college needs to instal to meet their criteria.

The director: IT, estates and learning resources noted that, nine months ago, this was just a footnote on the bottom of the quote rather than a condition of the insurance. He explained that the college had appointed a local firm to project manage the process of getting a number of projects ready in case capital money should become available so that bids can quickly be submitted. One of these may well be to fill in the undercroft, putting some walls and basic classrooms in place and keeping some parking around the sides. The college would lose around 50 spaces and so would also ask to develop the unused part of the tennis courts into designated parking. The structural engineers and architects were working on this, and it was hoped that they would be able to present a costed plan within the next few weeks.

One governor suggested trying to find out why what was once a footnote within the insurance has now become a must-have. The directors explained that one factor was that the insurer conducted a site visit and saw the proximity of the undercroft parking to the building above. There is not a large amount of concrete or a barrier in place that would entirely stop a fire – the legal requirements are met, but a car fire in the undercroft parking area could still easily cause a large amount of damage to the new block and move into the main building.

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One governor asked for more clarity in relation to the risk regarding the rewrite of the reporting pack. The finance director advised that the management accounts in their current format require the re-coding of the old system's structure to the new, and the preference would be to pull directly from Business Central into that report. The team was exploring the use of PowerPivot within Excel to create a tool, which would allow managers to see their own areas' performance. The team was also looking to write the document in a completely different way to include more student data, the volume of activity, etc., and the tools now available to support this were not available when the format of the accounts was first devised. The finance director suggested that the new chief financial officer may bring some perspective into this. He explained that the desired result was a complete refresh, not a rewrite of what is already presented, but this would not be a quick task.

As this committee only has sight of the finance and estates tabs within the risk register, the principal took the opportunity to assure members that the change of finance executive had been captured within the senior postholder and governance tab. He also indicated that meetings were soon taking place with governors to agree a development plan and with the new CFO to support her.

AGREED: to note the content of the update provided.

9 SUBCONTRACTING UPDATE

The finance director presented his subcontracting recommendations:

- Cidori had previously been approved by the board and, at the first-level review, this seemed like a beneficial arrangement. However, due diligence identified that the provision was higher risk than expected. Therefore, the college has decided not to progress this arrangement.
- Futures provides careers support outside of EMCCA. This was worthy of to support, and the finance director was proposing to increase the level of DWP activity by £40k.
- Chameleon School of Construction had access to other partners last year and so activity with WNC was lowered. However, the provider had returned to a much stronger performance. The company provides valuable construction training programmes in areas which the college does not cover. Therefore, the proposal was to increase the DWP allocation by £55k and the EMCCA allocation by £50k.
- Qualitrain Limited needs less activity in EMCCA but more DWP activity. The proposals result in no net change overall.
- The London Hair Apprenticeship Academy Ltd (formerly White Rose Beauty Colleges) is a subsidiary of Learning Curve. The latter has agreed to minimise the number of provider names through which they operate and, therefore, has and dropped the use of White Rose. Therefore, all hair provision will now be through LHAA. The proposal was to increase the DWP activity by £50k, with no change to the EMCCA activity.

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- The finance director reminded the committee that responsibility for adult skills activity had moved from DfE to DWP.
- He also indicated that all subcontracted activity falls into a priority engagement area, so these were positive increases to support.

Governors were content to recommend these proposals to the board for approval.

AGREED: to recommend that the board approve the changes to subcontracting as follows:

- Remove Cidori as a provider altogether
- Increase the DWP allocation to Futures by £40k
- Increase the DWP allocation to Chameleon by £55k to £130k and the EMCCA allocation by £50k to £165k
- Reduce the EMCCA allocation to Qualitrain to £265k but increase the DWP allocation to £35k, resulting in no net change
- Increase the DWP allocation to London Hair Apprenticeship Academy by £50k to £60k (with the EMCCA allocation to remain unchanged).

10 CONTRACT AWARDS

The finance director firstly requested that the committee recommend that the board approve for the contract to refurbish the roof at the Old Brewery to be awarded to Thomas Cassie and Sons (Leicester) Ltd. He explained that JLL had been contracted to conduct the tender. The project had been put on hold temporarily due to the higher cost of the Portland Square project. However, following announcements from the DfE relating to a further major capital grant from April 2026, the roof refurbishment could now progress. The price will be subject to inflation; therefore, the finance director explained that he would ask the committee to recommend that the board give approval for a cost of up to £250k plus VAT with a further allowance of up to £20k for variations above the contingency allowance of £25k, recognising that further variations were likely. He explained that this was urgent work as some parts of the roof were exhibiting failure.

Contracts with partners in projects and working in different ways:

- NG Group has developed relationships with organisations in order to support unemployed individuals to move into employment via initial employment agency contracts. The company supports in finding businesses and managing projects for WNC to deliver on. An increase of £150k was proposed to take the value to £350k in 2025/26.
- Maclav helps to run maths and English across DWP and EMCCA, conducting online marketing on the college's behalf, as well as holding events and face-to-face meetings with individuals. From this, recommendations are made for individuals to take part in online programmes which WNC staff deliver. Maclav also coordinates and organises invigilation and assessments on the

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college's behalf. The proposal was to take the contract up to £630k, which was in line with what the company delivered last year.

- Platinum Rail provides a range of rail-related services, including medicals, personal track safety, and agency supply of specialist rail staff to the college. An increase of £100k was proposed due to increased activity in agency staffing as the college lost a member of staff. This would take the value to £300k.

Governors were content with the rationale and proposals presented and were happy to recommend these to the board for approval.

AGREED:

- to recommend that the Corporation Board approve the changes to contract values as follows:
 - NC Group – an increase of £150k to £350k
 - Maclav Ltd – an increase of £250k to £630k
 - Platinum Rail – an increase of £100k to £300k.
- to recommend that the Corporation Board give approval for the contract to refurbish the roof at the Old Brewery to be awarded to Thomas Cassie and Sons (Leicester) Ltd for a cost of up to £250k plus VAT with a further allowance of up to £20k for variations above the contingency allowance of £25k (recognising that further variations are likely).

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. Three major projects were described as entering 'crunch time', with key details then communicated to the committee:

Chesterfield Road

- The project to replace the roof had been aligned to fit into the timeframe for the college to spend the £6.1m capital grant, and this will be achieved.
- The roof was progressing well – there had been three to four weeks' delay because of the weather, but the director was still certain that it would be complete by the end of March.
- Some of the scaffolding had started to come down. Almost all of the slate roofs were complete, with just the middle of the site still being worked on to be completed within the next two weeks.
- There were still windows to be fitted, but the director was very pleased with those that had been installed so far. He informed the committee that these were visually identical to the old windows. As they are aluminium with a 25-year guarantee, the college will not need to do any work on them, and they can be opened to allow temperature control.
- The director indicated that he was very impressed by the quality of both the roofing and the windows.

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Julias Way

- This was to be the new motor vehicle centre and was progressing well.
- The February half term deadline will be met, although will be close.
- The director may need to put temporary heating in place, but the building will be operational and will just need hot air blowers to warm the workshops.
- Governors were reminded that this lease was signed much later than planned and it has been a challenge to get this project over the line.

Portland Square

- This project was proving to be slightly more problematic.
- The director has had to negotiate with the owner of the Albert Martin/Kirkby Road site to keep the brick students there for slightly longer, due to Portland Square not being ready as needed. This was a difficult negotiation as new tenants have been lined up, but it has been agreed that the college can keep the Kirkby Road site until 30th April.
- At Portland Square, some issues have arisen in relation to the floors in that the concrete does not meet modern specifications. However, it was noted that these floors were used as storage for some very heavy loads by 40 or 50 years by the former shop, with point loads on legs from racking up to the ceiling.
- The college has had quotes from two structural engineers. Additional steel will be put into the floor to reinforce it, possibly with some internal walls and steel (or, possibly, a mixture of both).
- The director has spoken to building control and obtained written sign-off that the college can move the plumbing students in as soon as phase 1 is complete. Once this is complete, the director can trigger a large number of moves. He hopes that this will complete in summer and the electrical department can move in September.
- Having taken all the concrete cladding off the outside of the building, it has become apparent that the front portion of part of the building was constructed using breeze blocks and has not been connected to any other part of building. This is completely illegal and was not something that anyone could have uncovered until the cladding had been removed. The college will put a second layer of breeze blocks in place to tie everything together properly and safely, and the director will have building control in to sign this off.

Fire officer checks

- Officers undertook site fire safety checks on two college sites during November.
- The Gene Haas site was given a clean bill of health, but Station Park was less positive. However, a lot of work has since been carried out, and regular meetings are taking place with relevant people.
- The only items still outstanding were:

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- a programme of weekend emergency lighting discharge tests which will be undertaken by a local electrical firm
- a review of all fire doors, with appropriate remedial actions taken when issues are identified.
- The director explained that his predecessor replaced every door on every college campus with a fire door, even if it was not required to be a fire door. When the fire officer visited, she noted that some of these were non-compliant for various reasons. This means that the college must now complete a major piece of work to identify and label the real fire doors, and ensure they are up to standard.
- Overall, the director was pleased with the progress made. He explained that it can be difficult to change the culture, but heads of department were working on this. Furthermore, estates managers were now paying particular attention and undertaking fire walk-arounds as well as other visual checks.
- The director was certain that, when the fire officer visits again, she will see that 99% of the actions complete and the others are being worked on.

Site walks

The director reminded governors that the college had expanded to 11 sites and had not necessarily expanded its internal estates capacity and staffing resource. Although the college had remained very conscious of statutory requirements, other matters had perhaps had to receive less focus. He indicated that he had expanded his team by recruiting a new manager. The new appointee had spent time walking around the Old Brewery and fixing things up, including correcting snagging issues, carrying out cosmetic improvements, and generally tidying loose ends that were a legacy of the demolition. This had all been completed.

AGREED: to note the content of the update provided.

12 BIDS AND PROJECTS UPDATE

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

- Some current projects were coming to an end.
- The college was finalising a project with Ashfield District Council, involving the creation of a workshop at the council's depot to allow civils operations and storage of some plant equipment.
- The college had finished the heat pump project with EMCCA, and this had allowed significant growth in relation to the heat pump and air conditioning activity as well as funding some equipment for students to complete practical projects.
- The college expects to receive another large capital grant which it will be able to decide how to spend. This should be available in the next fiscal year.
- After this, substantial allocation will be available across the sector, to be paid out over three years. This will be a mix of growth and condition funding.

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- The college was expecting that the DfE's condition surveys previously carried out would soon be available, and it was hoped that this would provide four fiscal years to allow a substantial programme of updating and maintenance across college sites.
- Some money had been made available by the DfE for 16-18 growth. This would go to EMCCA rather than direct to colleges, but the college was getting projects ready.
- The DfE and EMCCA were both giving really strong messages that colleges need to do more in relation to NEET 16-18s. WNC was considering replicating the Mansfield Education Hub in Sutton-in-Ashfield. Governors were informed that only 10% of the college's Mansfield Education Hub learners come from Ashfield postcodes, so having a hub in Ashfield was likely to generate more demand for that provision.
- Just before Christmas, an opportunity was launched for the college to bid to be one of 19 engineering technical excellence colleges (TECs), all closely linked to the government's strategy. There will be five TECs each for clean energy, digital, and defence, plus four manufacturing TECs. WNC had been chosen within EMCCA to lead this TEC bid. This was in the process of being written, and the college had recruited a strong group of partners to support with this. The college had also engaged with the other two UK Gene Haas centres, and they had agreed to be part of the consortium. The principal explained that this would be a 'hub and spoke' model, with the TEC sitting in the middle of a group of colleges. The bid requires the college to indicate how it will drive up capacity and skills to meet employer needs. This was described as a competitive process, but the principal was optimistic that the college had a strong chance and that the partnerships in place would further enhance this. The deadline for submission was 16th February, and it was agreed that the bid would be shared with governors once submitted. In response to a question from the committee, the principal indicated that it had not yet been confirmed when the outcome would be announced.

AGREED: to note the verbal update.

13 ANY OTHER BUSINESS

There were no items of additional business.

14 DATE AND TIME OF NEXT MEETING

The next meeting will take place on Tuesday 28th April 2026 at 17:00.

The meeting closed at 19:00.

Signed:  Chair

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