

The Corporation of New College Durham

**Minutes of the Finance and Resources Committee
meeting held on 18 June 2025**

Present:

Ben Fisher (Chair)
Andy Broadbent
Stephen King

Chris Patterson
Philip Pollard

Apologies:

Helen Golightly
Elaine Bonham
Nik Whiting

In attendance:

Karl Fairley (Deputy Chief Executive)
Alison Maynard (Deputy Principal)
Paul Bradley (Chief Finance Officer)
Bob Metcalf (Executive Director of Finance and Corporate Services)
Kimberly Stevenson (Executive Director of Estates, Facilities and Corporate Services)
Francesca Smith (Director of Marketing and Admissions)
Caroline Winter (Head of Governance & Corporation Secretary)

Action

25/21 Chair's introduction and starred items

The Chair welcomed everyone to the meeting and advised that he needed to leave the meeting early. It was agreed that Stephen King would then act as Chair for the remainder of the meeting.

Members were reminded to declare their interests in any item of business to be considered at the meeting. None were declared.

Members confirmed that they did not require any further discussion about the starred agenda item, Paper C2.

25/22 Apologies for absence were received from Helen Golightly, Elaine Bonham and Nik Whiting.

25/23 Minutes of previous meeting (Papers A1 & A2)

The minutes of the meeting held on 12 February 2025 (including confidential minutes) were agreed as accurate.

25/24 Matters arising not appearing elsewhere on the agenda

There were no follow up actions from the previous meeting.

25/25 Marketing Update (Paper B)

Francesca Smith presented Paper B, the Marketing Update.

Members were briefed on the latest admission figures for the 2025/26 recruitment cycle and progress on the campaigns and events delivered to date and planned for the remainder of the year.

Francesca also updated on the initiatives detailed in the previous report to the Committee.

Members welcomed the comprehensive update and were pleased to see the breadth and depth of activities alongside the positive admissions numbers. In response to members' questions Francesca provided clarification on the content of the monthly Information Advice and Guidance (IAG) events and the College's Pro Solution management information system. Members asked for further detail on approach to and cost of developing the website and were reassured that anecdotal examples of potential cost were significantly higher than the quotes received for redeveloping the NCD site. In response to a member's question about the market research, Francesca advised that this had been commissioned from an agency with experience in the education sector and Alison Maynard confirmed that this would be shared more widely following review by the Senior Leadership Team (SLT) the following week.

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Members discussed the challenge of tracking return on investment in marketing spend and asked how this was measured. Francesca explained that whilst it was very difficult to translate reach and impressions into a quantifiable number of applications and enrolments, it was possible to see that click-through rates were improving and that both targeting and the change in content were having an impact. Tracking focused on whether spend was achieving the expected level of reach and this year was expected to be significant. It was also possible to track advertising and variations in click-through rates and identify areas that were better performing. Integration of Pro Solution with the website would enable tracking of specific landing pages if progressed. The Principal acknowledged the difficulties in demonstrating the impact of spend but commented that the numbers in the report gave an indication of the positive impact of the work of the Marketing and School Liaison Teams as well as word of mouth.

Members asked whether the demand for construction courses was being driven by employer demand or individual applicants wanting to move into the field. Francesca confirmed that the numbers represented direct applicants rather than those applying via employers and that individuals were accepting offers to try and confirm their place at an earlier stage this year. Members noted that the Deputy Principal and School Liaison Team had given a clear message to schools on the need to submit a timely application in light of the issues in being oversubscribed last year. Francesca explained that curriculum teams and ASC (Advice Support Careers) were working closely to manage the areas that were likely to exceed curriculum plan targets and develop a robust waiting list process as well as provide advice on alternatives where appropriate. Alison reported that the Deputy Principals within the Durham Learning Alliance were meeting to work through how to manage the issue and develop a formal process. The group was also meeting with Durham County Council (DCC) to discuss the

problem of a potential further increase in the number of individuals in the County not in education training or employment (NEET).

The Chair thanked Francesca for another comprehensive report.

Francesca Smith left the meeting 4.30pm.

25/26 Financial Monitoring to 30 April 2025 (Paper C1)

Bob Metcalf presented Paper C1, which detailed the financial position of the College to 30 April 2025.

Members noted the projected surplus, which had increased since the previous month's accounts and Bob updated on a number of areas that had impacted the position. The finance team were preparing the May accounts and a further increase was anticipated due to a range of factors detailed in the report. Bob advised that the risk around income was reducing with some Bootcamp delivery being brought forward and confirmed that the apprenticeships income forecast was expected to be relatively accurate. Members noted a number of further potential funding changes that could impact the position before the end of the financial year.

In response to a member's question about the fall in spend on educational visits, Alison Maynard explained this followed a decision to limit approval to visits essential to the curriculum to ensure a very clear position on visits that could go ahead.

Members noted the draft financial position to the 30 April 2025.

25/27 Westfirst Financial Monitoring to 30 April 2025 (Paper C2)

Members received and noted the Westfirst Limited financial reports to 30 April 2025.

25/28 Capital Developments - Update (Paper C3)

Paul Bradley presented Paper C3, which update on the College's major capital projects.

Members noted that the Artificial Grass Pitch was complete and the pitch was now in use. The Community Use agreement had been submitted to the planning consultant with the intention to commence lettings from 1 August 2025.

Part of this item is recorded confidentially under minute 25/28a.

Members noted progress on the Artificial Grass Pitch and Car Park relocation project and on the Construction Centre of Excellence – Learning Space 2.

Ben Fisher left the meeting at 4.45pm and Stephen King assumed the Chair for the remainder of the meeting.

25/29 Draft budget for 2025/26 & Indicative Budget 2026/27 (Paper C4)

Bob Metcalf presented Paper C4, which detailed the expected forecast outturn position for the current financial year 2024/25, the proposed budget for 2025/26 and a further prediction for 2026/27.

Bob reiterated the 2024/25 financial position as covered in the previous financial monitoring paper and confirmed that the College anticipated retaining the 'Outstanding' financial health rating based on its financial plans.

Bob summarised the income position for 2025/26 explaining the assumptions made in relation to various funding streams detailed in the report. In relation to expenditure, Bob explained that the budget made provision for a pay award, however it was anticipated that the Trade Unions would be seeking a higher percentage in line with the recent pay award approved for Teachers. Members were updated on the staffing budget, vacancies position and non-staff costs. Bob explained the balance sheet position highlighting the impact of the College's capital projects and modernisation strategy and drew members' attention to the sensitivity analysis completed on the 2025/26 budget and the assumptions made on the 2026/27 indicative budget. Bob emphasised the current level of uncertainty in relation to funding within the sector and the ongoing challenges in the timing of funding announcements in a number of key areas.

Kimberly Stephenson left the meeting at 5.03pm.

Members acknowledged the significant level of unknowns in setting the budget and commented that the report considered all the associated risk factors and made reasonable assumptions on that basis. The Principal reiterated the importance of governor awareness of the ongoing volatility in some areas, and that the SLT had very recently been briefed on further changes to funding criteria which would have both positive and negative impacts moving forward. Key challenges were highlighted in relation to the short-term nature of Bootcamp contracts and the associated challenge of staffing provision without longevity of contracts, the uncertainty in relation to HE franchise activity and the potential impact of the recent review of financial benchmarks by the FE Commissioner on future college financial health ratings.

Members reiterated that the report gave assurance that the College was doing all it could to understand and mitigate the risks to the financial position and recognised the limitations that the current uncertainty placed on the indicative budget for 2026/27. A member highlighted the forthcoming change to the Financial Reporting Standards in 2026/27 relating to leasing and the potential impact on Bootcamp income. Bob confirmed that this was a complex change affecting operating leases which would impact the balance sheet and would be reflected appropriately in the budget at that time.

Members noted:

- the forecast outturn for 2024/25
- the proposed budget for 2025/26
- the forecast budget for 2026/27

and agreed to recommend that Corporation approve the budget for 2025/26 and the two-year financial plan which will be used for the College Financial Forecasting Return (CFFR) return due for submission at the end of July 2025.

25/30 Medium Term Financial Plan (Paper C5)

Paul Bradley presented Paper C5, the annual review of the Medium Term Financial Plan (MTFP).

Paul advised that the plan builds on the previous discussion on the proposed two-year budget and drew members' attention to the changes outlined over the last 12 months affecting both the local and national landscape. Members reviewed the five year forecasted financial position and noted the assumptions detailed in the report on which it was based. Paul confirmed that whilst the College would continue to prioritise careful management of the College's finances, the table reflected a relatively promising position. Members noted that the figures in the report would be updated to reflect the latest financial monitoring position before consideration by Corporation in July.

Members welcomed the strong financial position of the College and commented that this was not taken for granted.

Members noted the report and **agreed to recommend to Corporation approval of the Medium Term Financial Plan 2025/26 to 2029/30.**

25/31 Review of Cost of Living Pay Award (Paper D1)

This item is recorded confidentially under minute 25/31a.

25/32 Workforce Plan and Profile (Paper D2)

Karl Fairley presented Paper D2, which summarised the College's workforce profile, the position with regard to the current labour market context, the strategic actions taken to respond to recruitment and retention challenges and strategic priorities for future workforce planning and development.

Karl highlighted the reduction in the number of vacancies in the current academic year which had been vacant for more than three months. Members reviewed the current workforce profile noting both the FTE position alongside the staff registered on the supply pool and Karl highlighted the significant reduction in external agency spend compared with previous years. Members reviewed

the workforce gender profile which was unchanged from the previous year and Karl advised that the age profile was in alignment with national benchmarks. Karl emphasised the need to maintain an overview of the more mature age groups in the context of succession planning and it was noted that whilst overall staff turnover had reduced, the greatest number of leavers were processed at the end of the academic year.

Members noted the strategic response to the recruitment and retention challenges post-Covid as detailed in the report, which had placed the College in a strong position. Karl outlined key priorities moving forward, emphasising that succession planning was a key consideration and highlighted the challenge this presented for some posts. The Search and Governance Committee had identified the need to focus on succession planning for senior roles and maintained oversight in respect of key posts. Karl confirmed that whilst the report outlined the ongoing challenges, arrangements were in hand with improvements being seen in the overall picture.

Part of this item is recorded confidentially under minute 25/32a.

The Chair commended the detail and quality of information in the paper and clear direction of travel and asked that the Committee's thanks be conveyed to the Executive Director of Human Resources and Corporate Services for her report.

25/33 Health and Safety Report on current issues (Paper E)

Karl Fairley presented Paper E which provided an overview of key Health and Safety performance measures and activities since the start of the academic year.

It was noted that there were no open liability claims against the College and members reviewed the update on accidents so far this year. Karl advised that there had been three RIDDOR and five serious injuries, all of which had been previously reported to the Committee. Members reviewed the details of near misses and Karl advised that following completion of the artificial grass pitch the potential for future issues was anticipated relating to individuals attempting to climb the fence to gain unauthorised access to the new pitch. Members noted that one educational visit had taken place without health and safety approval in place and that this had been addressed with the staff involved. It was also noted that there had been a number of refinements to the College's Educational Visits Policy.

The Chair commended the Executive Director of HR and Corporate Services on another clear and comprehensive report that provided assurance that good governance arrangements were in place in respect of the College's health and safety responsibilities.

25/34 Strategic KPIs – Update on 2024/25 and Proposed KPIs and Targets for 2025/26 (Paper F)

Karl Fairley presented Paper F, which provided the latest update on performance against the agreed Corporate Services strategic KPIs and detailed the proposed targets for 2025/26.

Karl explained that the Corporate Services Directors were proposing the same measures and previously agreed targets for the current year, but that this would be the last year in which the current KPIs would be measured as the College strategies would be reviewed over the course of the next year with the potential to develop new measures for 2026/27.

Members reviewed the latest performance against the 2024/25 targets and Karl highlighted a statutory breach within estates and facilities in which a fire alarm panel had failed resulting in two areas of the College becoming temporarily vulnerable. Members noted that this occurred on a Saturday morning with a new panel installed on the Monday morning so there was no point at which students were at risk. Additional security guards provided a physical presence on site in addition to ensuring the CCTV was running. Karl advised that the panels were regularly maintained and only six years into a 10-year replacement cycle when the failure occurred. Members noted the circumstances of what was in effect a technical breach and welcomed the transparency in reporting. The Principal updated on the letter from the FE Commissioner mentioned earlier in the meeting which notified Colleges of the outcome of the review of financial benchmarks. Members noted that two of the three KPIs to be refined would impact on the financial health scoring and there may be a need to review the 2025/26 targets when the impact on the scoring matrix had been established.

Members noted the red performance ratings in relation to a number of HR measures and that the reasons had been discussed in previous updates.

Members noted the progress to date on the Corporate Services KPIs for 2024/25 and **approved the targets for 2025/26.**

25/35 Proposed Schedule of Business for 2025/26

Members reviewed and endorsed the proposed Schedule of Business for 2025/26.

25/36 Any other business - none

25/37 Date of next meeting: TBC October 2025