CONFIRMED

The Corporation of New College Durham

Minutes of the Finance and Resources Committee meeting held on 11 February 2026 Online via MS Teams

Present:		**Apologies:**
Ben Fisher (Chair)	Chris Nicholls	Helen Golightly
Andy Broadbent	Philip Pollard	Alison Maynard
Jonathan Hamill	Bethany Robson	Colleen Peters

In attendance:
Karl Fairley (Deputy Chief Executive)
Paul Bradley (Chief Finance Officer)
Bob Metcalf (Executive Director of Finance and Corporate Services)
Elaine Bonham (Executive Director of HR and Corporate Services)
Kimberly Stevenson (Executive Director of Estates, Facilities and Corporate Services)
Nik Whiting (Executive Director of ICT and Corporate Services)
Peter Morrison (Vice Principal)
Rob Grainey (Vice Principal)
Caroline Winter (Head of Governance & Corporation Secretary)

Action

26/01 Chair's introduction

The Chair welcomed everyone to the meeting and reminded members to declare their interests in any item of business to be discussed at the meeting. No interests were declared.

26/02 **Apologies for absence** were received from Helen Golightly, Alison Maynard and Colleen Peters.

26/03 Minutes of previous meeting

The minutes of the meeting held on 26 November 2025 (including confidential minutes) were agreed as an accurate record.

Philip Pollard joined the meeting at 4.02pm.

26/04 Matters arising not appearing elsewhere on the agenda

25/56 – the Chair confirmed that the June meeting of the Committee would be held in person in the College Boardroom.

25/62 – Westfirst Limited - a further update on the income and lettings position against the business case for the AGP would be discussed later on the current agenda.

26/05 Financial Monitoring to 31 December 2025 (Paper B1)

Bob Metcalf presented Paper B1, which detailed the financial position of the College at 31 December 2025.

Bob confirmed that the College remained in a strong financial position but highlighted a number of areas of risk. Uncertainty remained around growth funding, as there was no guarantee from the Department for Education that this would be paid this year. The College was also awaiting a decision in respect of potential clawback, which had already been fully accounted for in the accounts. Positive developments during the year included a Tees Valley Bootcamp contract which had not yet been included in the accounts, and the College was also awaiting the outcome of other Business Development Unit bids. Bob advised that it was anticipated that the small deficit currently reported would move to a surplus next month when the College schools' forecasting position was clearer.

Bob noted that the format of the financial monitoring report would be refreshed for future meetings in response to the external governance review. The aim would be to provide governors with a clearer and more strategic financial narrative, making the report shorter and easier to read. Members welcomed the move towards more streamlined reporting commenting that this would be beneficial for both governors and staff.

In response to a member's question on the time scales for the Tees Valley contract, Bob confirmed that the contract had arisen due to underspend at another college which had not been able to utilise the funding, and NCD had been asked whether it could deliver the work by the end of March 2026.

Members asked about the CECOS May intake and whether there were any concerns about meeting the recruitment target. Bob explained that May was the main intake period and early indications suggested the target would be met. It was noted that only a proportion of the income would fall within the current financial year, with the remainder falling into the following year.

The Principal added that the College had adjusted its approach to partner recruitment and was now focusing more on managing overall capacity. The College would therefore not be overly concerned if numbers were slightly below the maximum target.

Members noted the draft financial position to the end of December 2025.

26/06 Westfirst Financial Monitoring to 31 December 2025 (Paper B2)

Paul Bradley introduced Paper B2, which presented the Westfirst Limited financial position to 31 December 2025.

In relation to lettings of the artificial grass pitch, Paul advised that the current 5pm slot was difficult to fill and the College was exploring the possibility of adjusting timings, for example moving to a 5.30pm slot, while remaining within planning conditions. Opportunities were also being explored to work with local football leagues to position the College as a central venue due to the quality of its facilities.

Members reviewed the table in the report showing the estimated income and expenditure set out in the original business case. Paul explained that Westfirst Limited was undertaking the lettings activity on behalf of the College to protect the College's charitable status and ensure the College does not become liable for Corporation Tax resulting from an increase in income. A management fee to the College would cover the costs set out in the report and members noted in relation to lettings income that charges for the pitch were set by the Durham County Council and the Football Association.

Members endorsed the proposal to explore partnerships with local leagues, noting that they appeared to generate significant income and asked about the expected income by the end of the year. Paul advised that approximately £70k – £80k was expected this year. The facility had not opened until August and had not been fully operational until mid-September, and so as this was the first year of operation, there was still scope to increase income, and reaching £100k was considered achievable.

Members noted the Westfirst Limited financial reports to 31 December 2025.

26/07 Capital Developments - Update (Paper B3)

Paul Bradley presented Paper B3, which updated on the College's major capital projects.

Paul confirmed that the contract for the Construction Centre of Excellence Learning Space 2 had been sealed the previous day, with the main contractor and the remaining works now progressing together. Members noted the update on the Sports and Music Building Redevelopment and that further details would be covered in the next agenda item.

Members noted progress on the Construction Centre of Excellence Learning Space 2 and the current position of the Sports and Music Building redevelopment.

26/08 Sports and Music Building Redevelopment Proposal (Paper B4)

This item is recorded confidentially under confidential minute 26/08a.

26/09 External Funding Update (Paper B5)

The Principal presented Paper B5, which updated on externally funded projects with an individual contract value exceeding £250,000, as required by the College Financial Regulations. It was noted the report covered procured contracts only and did not include grant allocations.

Members noted the significant scale of provision delivered through the College's Business Development Unit (BDU) to almost 8,000 learners, the majority of whom did not attend the College campus. It was noted that in population terms this was equivalent in scale to learners across all of the College's other funding streams. Although the College had been successful in securing contracts this year, the Principal advised that the future funding environment was expected to be very challenging. The North East had lost two-thirds of its Bootcamp income for 2025/26, despite being one of the most successful delivery regions with high quality outcomes. This contributed to a lack of certainty in relation to BDU contracts for 2026/27 and increased the level of risk attached to this area of activity in comparison with previous years.

In response to a member's question about where the TEC bid would sit if successful, the Principal explained that as there was a focus on improving quality and collaboration across providers, a successful bid would provide revenue funding to increase staffing resources shared across several parts of the College.

Members discussed further risks to Bootcamp funding given the position of some elected Mayors on phasing out this provision and asked about mitigation measures. The Principal explained that although there had been a significant reduction in the North East allocation, the College was not anticipating any change despite having challenged the position. It was noted that funding allocations were increasingly fragmented and often delivered in small, short-term contracts which made workforce planning more difficult. It was important context that North East Principals had met with the North East Combined Authority (NECA) to discuss plans for the future single settlement arrangements. NECA had indicated that providers would need to do more with less, despite fifteen years of reductions to adult skills funding. Whilst it was suggested that the settlement was reasonable in comparison with other regions, it was emphasised that the reductions would still present difficulties for providers. In response to a member's question about whether other providers would continue to bid for these tenders, the Principal explained that only a small number of local colleges bid for Bootcamps and that in some instances collaborative bids were submitted. Bob Metcalf added that the risk to Bootcamp funding had been identified twelve months earlier and financial planning had taken this into account. The position would continue to be monitored closely to manage the risk moving forwards into next year.

The Committee noted:

- the continued success in securing external funding to support a large volume of learners
- the projects with a value in excess of £250k and
- the ongoing and emerging challenges associated with the increasingly volatile external funding environment going forward.

26/10 Review of Financial Regulations and Procedures (Paper C1)

Paul Bradley presented Paper C1, the annual review and update of the College's Financial Regulations and Financial Procedures.

The Committee reviewed proposed changes to financial thresholds designed to improve efficiency and noted changes to procurement terminology in alignment with current legislation.

Members commented that the changes were straightforward and self-explanatory and **agreed to recommend to Corporation that the revised Financial Regulations and Procedures are approved.**

26/11 Treasury Management Policy (Paper C2a)

Bob Metcalf presented the revised Treasury Management Policy. The policy was due for renewal and included minor updates to language following the dissolution of the ESFA and to reporting arrangements to reflect current practice. The most significant changes related to the risk section, to consider banking failure and liquidity and arrangements to manage these risks.

The Committee approved the updated College Treasury Management Policy.

26/12 Treasury Management Report (Paper C2b)

Bob Metcalf presented the Treasury Management Report which was required to be presented to the Finance and Resources Committee on an annual basis under the Treasury Management Policy.

Bob explained that the College had recently recalled funds from Lloyds and would now hold funds with two banks. Bob also outlined the accounts used, the interest rates achieved and where funds were currently held. Members reviewed the interest rates detailed in the report and Bob confirmed they continued to offer a strong rate of return.

The Committee noted the report and the positive impact of treasury management for the period January 2025 to December 2025.

26/13 Review of the Payment Card Industry Policy (Paper C3)

Bob Metcalf presented Paper C3, the updated Payment Card Industry Security Policy.

Bob emphasised the importance of reviewing the policy annually to ensure compliance with Payment Card Information Data Security requirements and the significant financial penalties associated with non-compliance. Members reviewed the changes outlined in the report and **agreed to approve the Payment Card Security Policy.**

26/14 Review of Tuition Fees Policy 2026/27 (Paper C4)

Peter Morrison presented Paper C4, the Tuition Fees Policy for 2026/27.

Peter outlined the proposed fee levels as detailed in the report and advised that Further Education and Adult Education fees would remain largely unchanged. For Higher Education, it was proposed that full-time fees would increase for new entrants only. Members sought clarification regarding students funded by other organisations. Peter explained that occasionally students were funded through other providers, and as the College did not receive funding in these cases, the College applied charges where appropriate.

In response to a member’s question about international fees Peter explained that the proposed increase was broadly in line with other FE colleges delivering HE provision and would remain below university fee levels.

Members noted the changes and agreed to:

- **Approve the Fees Policy for the 2026/27 academic year**
- **Approve the proposed changes for HE fees in the 2026/27 academic year**

26/15 Gender Pay Reporting (Paper D)

Elaine Bonham presented Paper D, the annual Gender Pay Report, which was based on a snapshot of 646 staff in full pay at the time of reporting.

Elaine explained that the mean and median figures were most commonly used in gender pay reporting as the most representative indicators. Members noted that the median gender pay gap had reduced by 1.22%, bringing the total reduction over the last four reporting periods to 6.63%. This meant that at 19.78%, the College was performing better than the strategic KPI target of 23%. Elaine reminded members that there was a different between gender pay and equal pay and advised that the distribution of male and female employees across pay quartiles was biggest contributor to the gender pay gap. This was due to women being disproportionately represented in lower paid roles, many of which were part-time positions.

Elaine updated members on changes to the national context in relation to legislative developments and highlighted requirements on large employers to publish equality action plans detailing their approach to addressing pay disparities, which would become mandatory in 2027.

Members were pleased to note the reduction in the pay gap and asked about the position across the FE sector. Elaine explained that national comparisons were difficult due to different pay structures across the FE sector, although the College appeared to sit roughly in the middle of the typical range and had seen a slow downward trajectory. Karl Fairley added that some strategic decisions had been taken by the College that had improved the financial position of many lower paid staff but had the side effect of increasing the gender pay gap.

Members agreed to note the report and approve that the data included would be published in line with the College's legal reporting obligations.

26/16 Health and Safety Report on current issues (Paper E)

Elaine Bonham presented the Health and Safety report, which provided an overview of key Health and Safety performance and updates on key activities since the start of the academic year.

There had been 57 incidents during the year, which was slightly higher than the previous year. Of these, 52 were classified as minor. Four incidents were more serious but none were attributable to the College. There had also been two near misses and all incidents had been investigated with remedial actions recommended where necessary. Elaine updated that the RIDDOR position had changed since the report had been drafted and that an update would be provided as part of the KPI reporting the following month.

There were no significant concerns arising from workplace or employer vetting processes. The College had identified a small number of instances where student placements had begun without full approval and had reinforced the required procedures. All educational visits were approved prior to departure date and this process continued to operate effectively.

Health and safety training continued to be delivered across the College and the Health and Safety Committee met in December with no significant issues raised. Building works had commenced at the Construction Centre of Excellence Phase 2 with no issues identified to date.

Members noted that the internal audit review of the Educational Visits Policy had provided strong assurance and amendments to the policy were now being implemented. In response to a member's question about the policy changes, Elaine advised that these were not significant and related to process rather than policy and would therefore not require the Committee's approval.

The Committee noted the assurance detailed in the report.

26/17 IT Project/Infrastructure update 2025/26 (Paper F)

Nik Whiting presented the update on IT projects and infrastructure, highlighting the significant level of activity delivered during the year and outlining the roadmap for future developments.

Members commented positively on the strategic measures outlined and welcomed the progress made across the programme of IT projects. Members asked how the IT team kept pace with rapid technological developments and ensured that staff skills remained up to date. Nik explained that the team worked closely with third-party providers and external networks to monitor developments in digital transformation. These insights informed the College's strategic and operational planning, including consideration of training needs, resource requirements and potential risks. Nik emphasised that decisions on technology adoption were supported by strong governance processes, including cost/benefit analysis and due diligence.

The Committee discussed developments in artificial intelligence. Nik explained that the College was currently exploring tools such as Microsoft Copilot and ChatGPT, but these could not yet be used as formal business systems due to controls required in respect of safeguarding. Members noted an AI strategy group was monitoring developments and developing a roadmap with a focus on ensuring a strong baseline and consistency across the curriculum in the use of AI tools. The Principal added that AI would be a key discussion topic at the upcoming strategy day, as it would affect workforce planning, training, IT investment and estates and every College strategy moving forwards.

Members asked about the integration of systems used to support apprenticeships and learner tracking. Nik advised that the College considers integration carefully through the Business Systems Governance Group, and that while system integration could bring efficiencies and was a priority consideration, it was not always the most appropriate solution and needed to be balanced against cost, complexity and the impact on end users. Bethany Robson declared an interest due to her role in the Apprenticeships Team which was noted, although it was agreed that the discussion did not present a conflict.

Members noted the 2025/26 update on IT Projects.

26/18 Estates Facilities and Compliance 2025/26 (Paper G)

Kimberly Stevenson presented Paper G, which updated on Estates and Facilities activity for the 2025/26 academic year.

Kimberly reported that it had been an active year with a substantial programme of works delivered across the estate. Further projects were planned for the remainder of the year while ensuring continued compliance. Members noted the key capital projects completed or scheduled across the College estate during the year, updates on statutory and regulatory compliance, key initiatives within the modernisation programme and developments in workforce capacity and capability.

Members commented on the significant amount of work completed and asked about gaps and resilience within the multi-skilled Estates team. Kimberly explained in response to previous challenges in plumbing capacity, the Estates team had worked with the training department to support a training assistant to complete a plumbing qualification, which had proved successful. Members also noted the recent promotion of an electrician into a compliance role due to the increasing level of compliance activity and that internal succession planning was underway in relation to management of the service.

The Committee discussed sustainability initiatives, including hydrogen-ready boilers that could be converted in the future if required and asked how space utilisation was monitored across the estate, and if this was in real time. The Principal explained that utilisation was reviewed regularly in collaboration with curriculum and finance teams and benchmarked against sector norms, which indicated that the College was generally using space efficiently. Utilisation was primarily assessed during core teaching hours, and additional classroom capacity was being planned to support future growth. Space allocation was managed dynamically particularly during the start of the academic year when classes may be moved to accommodate student numbers. New approaches, including potential use of lanyards and digital attendance systems, were being explored to provide more accurate data on student presence and move away from physical checks.

Members welcomed the update and agreed to note the 2025/26 update on Estates and Facilities and Compliance.

26/19 Strategic KPIs 2025/26 – Update (Paper H)

Karl Fairley presented the latest update on Strategic KPIs to 31 December 2025. Karl highlighted the amber measure relating to vacancies that had been open for more than three months and advised that there would also be a red rating for RIDDOR incidents in the next update.

The Chair emphasised the message from the external governance review on the importance of considering the green indicators as well as those rated amber or red.

Members agreed to note the progress on the Corporate Services Strategi KPIs for 2025/26.

26/20 **Any other business** – none.

26/21 **Date of next meeting:** 17 June 2026 (in person)