CONFIRMED

The Corporation of New College Durham

Minutes of the Finance and Resources Committee meeting held on 17 June 2026 Boardroom, New College Durham

Present:
Ben Fisher (Chair)
Andy Broadbent
Helen Golightly
Jonathan Hamill – *via MS Teams*
Chris Nicholls
Philip Pollard – *via MS Teams*
Bethany Robson

Apologies:
Elaine Bonham

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)
Nik Whiting (Executive Director of ICT and Corporate Services)
Peter Morrison (Vice Principal)
Francesca Smith (Director of Marketing and Admissions) - *part*
Caroline Winter (Head of Governance & Corporation Secretary)
Chloe Freeman (Administrator)

Action

26/22 Chair's introduction and starred items

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.

Members confirmed that they did not require any further discussion about the starred agenda item Paper L – Capital Developments Update.

Jonathan Hamill joined the meeting at 4.01pm.

26/23 Apologies for absence were received from Elaine Bonham.

26/24 Minutes of previous meeting (Papers A1 & A2)

The minutes of the meeting held on 11 February 2026 (including confidential minutes) were agreed as an accurate record.

26/25 Matters arising not appearing elsewhere on the agenda

There were no follow up actions from the previous meeting.

26/26 Marketing Update (Paper B)

Francesca Smith presented Paper B, the Marketing Update.

Members were updated on the positive recruitment performance to date for 2026/27 enrolments across FE and HE, strong performance in marketing activity including event attendance, PR reach and digital campaigns. It was noted that the summer campaign was in progress with good advertising coverage including streaming and increased cinema reach. Updates were also provided on strategic projects including the refresh of campaign materials, website redevelopment and enhanced employer engagement. Francesca highlighted the key risk around conversion rates and outlined the monitoring arrangements to track areas of potential under and over-recruitment and planned mitigations. Members also noted that the recently announced social media ban would present a risk in future years. Next steps included the Summer Recruitment Campaign, monitoring of admissions data and continued work on strategic projects.

Members asked about targeting activity and how conversion rates were monitored to assess value for money. Francesca explained that digital campaigns were easier to track and whilst awareness activity such as outdoor advertising was more difficult, the contracted agencies provided regular reports. In response to a member's question, it was confirmed that recruitment growth was mainly in the 16–18 cohort, with steady T Level performance and strong Level 3 recruitment. It was noted subjects were often considered holistically with the ability to make adjustments and effect movement between programmes.

Members asked about the likely reasons for increased event attendance and Francesca attributed this to a more consistent, year-round campaign approach and close working with the School Engagement Team. Members discussed the successful Manufacturing Leaders' Summit and asked about further events. Alison Maynard indicated there was potential to run a follow-up in future but delivered through the AMTEC.

Members asked about digital media procurement and AI use, and Francesca confirmed AI was used by the College's external media buyers to support campaign optimisation, as well as being used internally by the team for content creation, which was not outsourced. Members noted that an AI chatbot for the website was also being explored. A member highlighted a good quality data list provider from their professional experience and offered to follow up with further details if necessary.

The Committee noted the positive recruitment position, reviewed the identified risks and mitigations and confirmed the report provided adequate assurance in respect of marketing activity to support the drive for 2026/27 recruitment targets.

Francesca Smith left the meeting at 4.20pm.

26/27 Financial Monitoring to 30 April 2026 (Paper C1)

Bob Metcalf presented Paper C1, the Financial Monitoring report to 30 April 2026.

Members noted the projected surplus position and Bob explained that this had increased due to a combination of higher than expected HE partner recruitment, staff cost savings due to vacancies in recent months, the award of additional Bootcamp contracts and recent positive funding announcements relating to the FE Conditions Capital Funding allocation and National Insurance Grant. Bob highlighted medium term risks relating to the national reduction in Bootcamp funding, replacement of the Shared Prosperity Fund with the smaller Local Growth Fund, Apprenticeship reforms and the increasing reliance on, and regulation of, HE partnerships. Overall Bob confirmed that despite the risks the College remained in a strong financial position.

Members highlighted external activity from former principals on sector funding and commended the College's strong financial position compared to its peers, many of which had limited reserves. Members asked about levels of confidence in the ability to maintain reserves in the event of significantly negative scenarios and when a change in approach might be required. Bob explained that the two-year forecast included sensitivity analysis, with planned surpluses and consideration of risks and their potential impact. Bob confirmed that the 16–19 cohort was stable and whilst adult provision and commercial contracts carried more uncertainty the College had dedicated teams to manage the position. HE partnerships were identified as the most significant risk, though mitigations such as teach-out arrangements would provide time to manage any changes.

In response to a member's question about capacity of the Business Development Unit in the context of increasing competition in bidding activity, it was confirmed that the position was being actively managed with capacity under review, consideration of succession planning and that the team would be flexed if required.

The Committee noted the forecasted year-end financial position at 30 April 2026.

26/28 Westfirst Financial Monitoring to 30 April 2026 (Paper C2)

Paul Bradley presented Paper C2, the Westfirst Limited financial monitoring report to 30 April 2026. Members noted the profit and balance sheet position of the subsidiary, which reflected positive early performance from the Multi Use Games Area (MUGA).

Paul advised that the key risks were in sustaining the income from the MUGA and also in relation to intercompany balances.

Performance had been as expected in the first year of the MUGA and the company remained in a positive net asset position.

In response to a member's question about progress in increasing weekend capacity, Paul updated that an external lettings policy was being developed, which would be worked through with the team prior to commencing lettings again in August.

The Committee noted:

- the Profit and Loss Account for Westfirst Limited to 30 April 2026
- the Balance Sheet position and net asset position of Westfirst Limited
- the ongoing monitoring arrangements relating to the financial performance of the company.

26/29 Strategic Financial Plan: Budget 2026/2027 and Indicative Forecast 2027/2028 (Paper D1)

Bob Metcalf presented Paper D1, which detailed the proposed budget for 2026/27 and the indicative financial forecast for 2027/28.

Members noted that cash balances were forecast to remain strong, net assets were set to increase by the end of the financial period and the College's financial health score would remain outstanding. Bob advised that the budget supported a number of the College's key strategic priorities including some provision for staffing the new AMTEC and planned for continued growth reflecting demographic changes. Members noted the capital investment programme included the completion of the Construction Centre of Excellence, relocation of the library, redevelopment of the Sports Building and additional investment in modernising the estate and ICT infrastructure. Bob confirmed that the plan had been prepared prudently and only included income from approved bids and funding streams. Members noted the sensitivity analysis, which demonstrated that even under a significant downside scenario, the College would have sufficient time and reserves to take mitigating action. Members' attention was drawn to the provision for a pay award and Bob provided additional context on the current industrial relations climate relating to school teachers and local government negotiations and sought members' views on the level of the provision included in the proposal.

Jonathan Hamill left the meeting at 4.41pm.

In response to a member's question about whether the College would receive in-year 16–18 growth funding. Bob confirmed the forecast assumed no additional funding due to uncertainty, although any funding received would improve the surplus. It was also noted that some income opportunities may still be realised and that the overall forecast was prudent.

Members expressed mixed views on amending the pay award provision outlined in the report. The discussion considered affordability, prudence, the wider economic context and consistency with sector practice where it was noted that pay awards varied significantly. Bob confirmed that an increase on the level presented in the report was affordable based on current figures and that ultimately the figure remained an assumption within the budget and subject to confirmation. Members expressed concern about setting expectations too early and the need to retain flexibility until more information was available. It was acknowledged that the College operated in a complex funding environment with differing income streams and constraints compared with schools and other providers. The Principal also highlighted anticipated developments in HE franchising which could have a significant impact on assumptions. Given the range of views and the need for further clarity, it was agreed to increase the recommended pay provision when the proposal was submitted to Corporation, with the matter to be revisited once more information was available.

The Committee noted:

- the forecast outturn for 2025/2026
- the proposed budget for 2026/2027
- the forecast budget for 2027/2028

and endorsed the budget for 2026/2027 and the two-year financial plan which will be used for the College Financial Forecasting Return (CFFR) and agreed to recommend approval to Corporation.

26/30 Medium Term Financial Plan (Paper D2)

Paul Bradley presented Paper D2, which detailed the annual review of the College's Medium Term Financial Plan.

Paul reported that the financial strategy demonstrated the College's continued financial strength, enabling investment in its strategic priorities whilst maintaining an Outstanding financial health classification. The plan assumed continued investment in key priorities, including AMTEC, estate modernisation and digital transformation, and was not based on maintaining the status quo. Instead, it reflected delivery of the College's key strategic ambitions. Paul confirmed that despite the level of investment reserves were forecast to remain strong, above the minimum target of 10%, and to increase further over the five-year period.

Members queried the accuracy of the five-year forecast and Paul explained this was based on a range of assumptions, including continued growth in higher education partnerships and adult budget allocations. Extensive scenario planning had been undertaken to test the assumptions, and the financial plan would be refreshed regularly to reflect any significant changes in the operating environment.

Members noted the capital investment plans and that projected growth numbers were expected to peak before levelling off and queried whether the College had sufficient capacity to meet future demand. Paul acknowledged that demographic growth was expected to plateau but noted that the College had consistently outperformed demographic trends in recent years. The forecast therefore assumed that the College would, as a minimum, maintain current learner numbers, with modest growth incorporated into the financial plan.

The Committee agreed to:

- Endorse the Medium Term Financial Plan for 2026/2027 to 2030/2031 including:
    - The forecast financial position, reserves strategy and key financial assumptions.
    - The strategic financial direction outlined within the Plan and the continued alignment of financial resources to the College's strategic priorities.
- Recommend the approval of the Medium Term Financial Plan for 2026/2027 to 2030/2031 to Corporation.

26/31 Review of Reserves Policy (Paper D3)

Paul Bradley presented the annual review of the Reserves Policy, confirming that the policy remained fit for purpose and no changes were proposed. A central principle of the policy remained the maintenance of a minimum reserves target of 10%, providing financial resilience while enabling investment in strategic priorities. Paul emphasised that the College should not simply accumulate reserves and that it was important to have a clear strategy for how reserves would be utilised to support investment.

In response to a member's question on whether the current 10% reserve level was consistent across the sector Paul confirmed this was determined locally and had been reduced from 15% to increase investment capacity. Members asked about the potential to increase the threshold in light of future financial uncertainty and Paul advised that holding excessive reserves could potentially attract challenge from the DfE, as had been seen elsewhere in the education sector.

The Committee agreed to:

- Endorse the Reserves Policy and recommend Corporation approval.
- Endorse that the minimum free reserves target remains at 10% of annual turnover.
- Note the arrangements for annual monitoring and reporting of compliance with the policy through the College's financial governance framework.

26/32 NCD Strategic Plan 2026 – 31: Corporate Services and Enabling Strategies and Proposed Key Performance Indicators (KPIs) and targets for 2026/27 (Paper E)

Karl Fairley introduced Paper E, which presented the College's Corporate Services Strategies for 2026-31. Members noted that the strategies covered Corporate Services, Estates, Finance, Human Resources and ICT and provided the framework to support delivery of the College Strategic Plan and Curriculum Strategies. Karl explained that the strategies built on the existing 5-year strategy with strong integration across Corporate Services to support curriculum priorities and learner outcomes. Karl drew members' attention to the supporting KPIs proposed and emphasised the intention to maintain consistency to allow clear visibility and enhanced monitoring of performance. The Principal explained that the current five-year strategy had served the College well and that the intention was not to reinvent it, but to build on its strengths while reflecting the changes in the external environment. Teams had been asked to take the existing strategy forward rather than start again, and alignment between the Corporate Strategy and Curriculum Strategy had been reviewed to ensure consistency.

In response to a member's question about how the KPIs linked to the aims in the strategies, Karl explained that in some cases they would support operational level delivery with the suite of measures provided aimed at providing greater insight for governors. Members suggested strengthening the KPI framework by including measures for estate utilisation, organisational culture and staff engagement, AI governance and staff digital capability. It was agreed to develop these areas further before the strategy was presented to Corporation. **KF**

Members reviewed the proposed targets in Annex F of the report and noted questions submitted from a member in advance of the meeting querying whether the 2031 financial targets were sufficiently challenging in the context of current performance. Bob Metcalf explained that a number of the targets were based on DfE measures and remained appropriately ambitious. It was further noted that the proposed targets would support the College in maintaining its Outstanding financial health classification. It was also noted that setting an excessively high cash days target could discourage appropriate strategic investment. Members confirmed their support for the rationale behind the financial targets.

The Committee agreed to:

- Endorse and recommend ratification to the Corporation the Corporate Services and Enabling Strategies 2026–2031 (Annex A to E)
- Endorse and recommend ratification to the Corporation the amended KPIs, noting the inclusion of a new Estates KPI (Reduction in Tonnes CO2e per FTE)
- Approve the remaining KPI targets for 2026/27 and note the KPI outcomes for 2031 (Annex F)

26/33 Sustainability Update 2026 (Paper F)

Kimberly Stephenson presented Paper F, the Sustainability Update and highlighted that sustainability remained a key priority within the College's estates strategy and day-to-day operations.

Kimberly reported on continued progress in reducing carbon emissions, improvements in energy management, and ongoing work to reduce gas consumption, increase recycling and strengthen water monitoring. Members noted the key risks related to rising utility costs and market volatility, although the College had secured contracts at a good price. It was noted that there were currently more contractors on site, which created an ongoing challenge in managing electricity consumption. The College continued to invest in energy-efficient equipment and was progressing an action plan focused on reducing consumption, including investment in sub-metering. Future priorities included heat decarbonisation and understanding heat loss across the College estate, improved data quality, reducing out-of-hours energy use and exploring renewable energy opportunities.

In response to a member's question, Kimberly confirmed that photovoltaic panels were already installed on the roof of the main building and at the Bishop Auckland site, with further expansion remaining under consideration, subject to cost.

The Committee agreed to note the report.

26/34 Workforce Profile and Strategic Workforce Report (Paper G)

Karl Fairley presented Paper G, which outlined the current workforce profile, key external workforce pressures affecting the FE sector, and summarised the actions to maintain organisational effectiveness, curriculum quality and financial sustainability.

Karl reported that the College continued to maintain a stable, experienced and resilient workforce, with performance comparing favourably against regional and national FE benchmarks. It was noted that in recent discussions the DfE had indicated that whilst the College's staff costs appeared high, they were appropriate within the College's context. It was confirmed that the position was consistent with previous years and reflected the College's ability to recruit experienced staff from industry.

Members noted that workforce planning remained a strategic priority in response to external pressures including labour market shortages, SEND demand, curriculum reform, AI, green skills and employment legislation. Karl advised that workforce stability was strong, with low staff turnover, reduced reliance on agency staff and effective recruitment and retention initiatives, although challenges remained in specialist technical curriculum areas. Attention was drawn to Section 5 of the report, which set out the

College's workforce priorities. It was noted that the priorities aligned with the HR Strategy and members observed that they appeared to have a strong curriculum and leadership focus and asked how succession planning for support staff was reflected. It was explained that leadership capability was an important element of Priority 4 and, alongside the wider workforce priorities, would support succession planning and future organisational capacity.

In response to a member's question about the importance of competitive pay in supporting staff retention, Karl advised that whilst this was a factor, the College's values and organisational culture were more significant long-term factors. A suggestion was made to place greater emphasis on culture within the workforce priorities, with wellbeing positioned as part of that wider theme.

The Committee:

- Noted the contents of the report;
- Commented on the strategic workforce priorities identified in Section 5; and
- Confirmed support for the continued development of the College's workforce planning arrangements.

26/35 Health and Safety Report on current issues (Paper H)

Karl Fairley presented Paper H which provided an overview of key Health and Safety performance and governance arrangements since the start of the academic year.

It was noted that there were no open liability claims against the College and Karl updated on accidents during the year, including two RIDDOR reportable incidents which had been investigated and corrective actions taken. Karl confirmed that operational compliance remained strong overall and that inspection and training activity was robust. The Health and Safety Committee continued to meet during the year with no significant issues raised and members noted that the Health and Safety team continued to maintain oversight of ongoing capital projects.

The Committee agreed to:

- Note the contents of this report and the overall positive Health and Safety performance during the reporting period.
- Note the actions being taken to improve compliance with approval processes relating to work placements, contractors and educational visits.
- Note that no material Health and Safety risks requiring Committee intervention have been identified during the reporting period.

26/36 Unsupervised Offsite curriculum activities policy – Review of implementation (Paper I)

Karl Fairley presented Paper I, which detailed the outcome of a

review of implementation of the Unsupervised Offside Curriculum Activities Policy.

Karl reminded members that the policy was approved at Corporation the previous year and members had requested an update on implementation after a period of operation. Karl confirmed that feedback from curriculum areas indicated that the new policy was working effectively in practice and that a number of minor improvements had been proposed to improve clarity and usability, which were marked up in the report.

The Committee agreed to:

- note the contents of the report; and
- confirm that it is assured regarding the continued appropriateness and operation of the Unsupervised Offsite Curriculum Activities Policy.

26/37 HE Partnership Risks (Paper J)

Bob Metcalf presented Paper J, which provided a strategic assessment of the risks associated with the College's Higher Education (HE) franchised partnerships.

Bob highlighted the principal risks relating to increasing government and Office for Students (OfS) regulatory scrutiny, the ongoing Teaching Excellence Framework (TEF) risk arising from historic partnership data, and the financial risk associated with reliance on a single remaining partnership. Bob advised that the report proposed a number of actions to strengthen oversight and assurance and members noted that, despite these risks, the partnerships continued to deliver significant strategic and financial benefits, supported by a comprehensive action plan to strengthen governance and assurance.

Peter Morrison updated members on recent sector developments since the report had been prepared, including the introduction of OfS Condition E10 relating to sub-contracting, a forthcoming meeting with the DfE to discuss the College's HE partnerships, and ongoing work with the Quality Assurance Agency and legal advisers to strengthen external assurance arrangements and ensure compliance with evolving regulatory requirements. Members commented that having discussed the paper previously in other committee meetings and the May Corporation meeting they felt that the proposed actions were robust and proportionate to the risks identified.

The Committee agreed to endorse the proposed actions in the report.

26/38 Provisional Schedule of Business for 2026/27 (Paper K)

Members reviewed and endorsed the proposed Schedule of Business for 2026/27.

26/39 Capital Developments - Update (Paper L)

Members received and noted Paper L, which updated on progress of the College's two major capital projects.

The Committee noted:

- Progress on the Construction Centre of Excellence – Learning Space 2
- The current position of the Sports and Music Building Redevelopment project

26/40 Any other business

Confidential - AMTEC Update

This item is recorded confidentially under confidential minute 26/40a.

26/41 Date of next meeting: TBC November 2026

26/42 Annual Review of Committee Effectiveness 2025/26

The Committee considered the results of the 2025/26 Committee Effectiveness Survey, noting that five members had responded.

- Overall feedback was very positive, with all respondents rating the Committee's effectiveness as **4 out of 5** and confirming that its Terms of Reference, work programme, meeting conduct, reporting to Corporation, and meeting frequency were appropriate.
- Members highlighted the Committee's strengths as effective financial oversight, robust scrutiny of the Medium-Term Financial Plan and major capital projects, strong leadership from the Chair, constructive discussion, and a culture of positive challenge which was welcomed by management.
- Areas identified for further development included:
    - strengthening financial and specialist expertise within the Committee
    - providing further governor development on FE funding, funding risks and cyber/IT
    - enhancing challenge where appropriate
    - improving the clarity of papers through concise executive summaries
    - maintaining a strong focus on strategic risks and emerging opportunities.
- Additional suggestions included increasing communication between Committee Chairs on significant strategic issues before consideration at Corporation.

During discussion, members discussed the use of AI tools to support the preparation of executive summaries. Members were

reassured that many of the areas identified for improvement were already being progressed. It was also noted that members of the Corporate Services team welcomed attending Committee meetings and valued the constructive challenge and discussion provided by governors.

The Committee welcomed the positive feedback and noted that the points raised were consistent with meeting evaluation responses received during the year. The Head of Governance confirmed that the identified development themes would be taken into account as part of the ongoing review of governance effectiveness.