

FINANCE AND RESOURCES COMMITTEE

7 October 2025

16:30 - 18:30

Colchester Campus

PRESENT

Ali Davies

Alison Andreas

Alison Bennett

Christopher Donovan

Emma Richens

Gary Horne MBE

Lisa Blake

Mark Emerson

Richard Block

Steve Blake

ABSENT

Sally Conner

1. APOLOGIES FOR ABSENCE

Apologies were received and **APPROVED** from Martin Gwillam and Sally Conner due to work commitments.

2. DECLARATION OF ANY CONFLICTS OF INTEREST

No member of the committee of staff declared a financial or other interest in the business to be discussed.

3. ANY OTHER URGENT BUSINESS

None.

4. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 15 July 2025 were **APPROVED** as a true and accurate record.

5. ACTION SHEET AND MATTERS ARISING FROM THE MINUTES

It was NOTED there are no outstanding actions from the last meeting.

6. APPROVAL OF DELEGATED AUTHORITY (SECT.1.1.2 OF FINANCE REGS)

Delegated authority, as outlined in sect.1.1.2 of the Finance Regulations, was presented for approval.

Governors raised the following points during review and discussion:

Definition of Significant Loss - Ref: Page 7, para 4.4.1

A Governor **QUERIED** whether the policy clearly defines what constitutes a significant loss in financial terms, noting that this would trigger further reporting requirements. It was suggested that the policy should explicitly state who determines the threshold of a loss if not defined by a fixed amount. The Deputy Chief Executive replied saying that the thresholds are outlined in the College Financial Handbook and agreed that this should be reviewed in line with DFE reporting requirements and risk values.

Internal Audit Role Clarification (Ref: Page 16, para 7.5.2)

A Governor **COMMENTED** that the policy states that the internal audit service is responsible for ensuring adequate control and governance arrangements. A Governor said this may not accurately reflect the internal auditors' remit, which is more aligned with assessing adequacy rather than ensuring it.

A Governor **COMMENTED** that the document references Managing Public Money (MPM) and suggested it should also reference the College Financial Handbook as, post-reclassification, this supersedes MPM in certain areas, such as asset disposals, leasing, and insurance requirements.

The Deputy Chief Executive brought the Committee's attention to the current financial limits outlined in the document, particularly the £5,000 cap for members of the College Executive, which is disproportionately low given the scale and nature of their responsibilities. For example, utility bills often exceed this limit. Following discussion, the Committee agreed that a full review of limits should be undertaken, with supporting contextual information e.g. volume of transactions, associated risks, and benchmark data. Revised proposals to be brought back to the Committee at the March meeting for review and approval.

The Committee **QUESTIONED** when the document is due for full review and approval. The Head of Governance replied that it is on a one year approval cycle and was approved at the July 2025 meeting of the Committee. Specific approval of sect. sect.1.1.2 had not taken place at that time.

ACTION:

Deputy Chief Executive to carry out full review of Financial regulations for Committee review at the 5 March meeting.

7. UCC FEE PROPOSAL 2026-27

The Committee considered the proposed tuition fees for University Centre Colchester (UCC) for the 2026/27 academic year. The proposal includes a £200 increase on the previous year's fee. The Principal highlighted the following points:

- The increase represents a 2.3% uplift for full-time degrees.
- The proposal aligns with the institution's Fees Policy, which stipulates that fee increases must remain within or below inflation.
- The College has adopted an annual incremental increase model in recent years to avoid sudden significant rises.
- Bench Marking has taken place against similar local and regional providers which indicates that UCC remains competitively priced. Governors **ASKED** whether benchmarking data considered nearest neighbour comparators rather than just geographical ones. It was agreed that further analysis of this kind could strengthen future fee-setting rationale.

Governors **QUERIED** how the proposed fee increase aligns with regulatory frameworks such as the Office for Students (OfS), Managing Public Money (MPM) and DfE guidance regarding full cost recovery. It was explained that UCC is governed primarily by OfS regulations due to being a designated provider. Governors **QUESTIONED** how full cost recovery is interpreted in this context, particularly where some funding is received from government sources. It was agreed that further external clarification from the DfE may be beneficial to ensure continued compliance.

ACTION: Deputy Chief Executive to seek DfE Clarification on full cost recovery of UCC fees

The Committee discussed the balance between cost pressures such as staffing and utilities and student affordability. It was noted that many UCC students do not benefit from wider university facilities or services and may be from lower-income backgrounds, all of which are factors in maintaining a competitive and accessible fee structure.

Governors **ASKED** if the proposed increase would apply to both new and continuing students. The Principal confirmed it would, as per the terms agreed at enrolment. The Committee sought assurance on whether HE programs were financially sustainable. The Principal said that financial performance had improved following changes to the management structure within UCC. Early Years was noted as the exception in 2025/26 due to low student numbers. The Committee noted that maintaining artificially low fees could potentially impact the College's ability to meet financial obligations, particularly if operating costs continue to rise. It was agreed that maintaining a clear and justifiable basis for setting fees is essential and that future reports should include:

- Benchmarking that includes 'nearest neighbour' providers .
- Reference to regulatory context (OfS, DfE) and how full cost recovery is interpreted.
- Commentary on course-level financial contribution where appropriate.

DECISION: The Committee approved the proposed UCC tuition fees for the 2026/27 academic year, subject to the College seeking clarification from the DfE (or relevant authority) regarding full cost recovery in the context of Higher Education fee-setting, and confirms alignment with all applicable funding guidance and regulations.

8. POLICY REVIEW

8.1 RESERVES POLICY

Reserves Policy.

The Reserves Policy was presented to the Committee for review. The Director of Finance explained that it largely remains unchanged and whilst the policy has served the College well in recent years, financial recovery presents an opportunity to revisit it. The committee noted that the policy is currently framed around maintaining a minimum reserve level for risk mitigation and liquidity, rather than serving as a broader financial planning tool. It was acknowledged that there is a growing need to consider future capital investments, given the ageing infrastructure of the College and that capital building projects are likely to require College contributions, even where DfE funding is secured. Discussion took place around whether a more strategic approach is needed to earmark, and build up, reserves for this purpose. It was noted that while the College's current reserves are relatively limited, planned surpluses could provide scope for a gradual build-up. The Committee **AGREED** that a revised Reserves Policy should be presented at a the March meeting providing:

DECISION: The policy was approved on the understanding that a revised policy would be brought to the Committee for consideration in March 2026.

ACTION: Reserves policy to be reviewed and ahead of the March FRC meeting.

8.2 PAY AND REWARD POLICY

Pay and Reward Policy.

It was highlighted to the Committee that the skills shortage supplement has been amended. Previously, a flat £3,000 supplement was applied; this has now been increased to £5,000 in high-demand areas such as Electrical and Engineering, in order to remain competitive with industry salaries and other providers. Eligibility will continue to be assessed in line with the existing criteria within the policy. The following areas were highlighted:

- Benchmarking data from the AoC on sector-wide approaches to tackling skills shortages is expected but was not yet available.
- The College does make use of “Golden Hello” incentives, which have proven effective. However these will now be aligned with the Government's retention payment scheme

(up to £6,000 over five years). Where staff are eligible for both, the College will reduce its own contribution to avoid duplication but ensure no loss to the individual.

DECISION: The Committee **APPROVED** the Pay and Reward Policy.

9. PEOPLE AND CULTURE

9.1 PEOPLE AND CULTURE - DASHBOARD

Absence levels remain well below national averages. According to CIPD benchmarking, the 2024 absence rate at the College was 6.65 days per employee, which is approximately 50% lower than the public sector average of 13.3 days. This demonstrates effective attendance management and proactive wellbeing support. Nationally, mental ill health remains the leading cause of long-term absence (41%), while minor illness is the top cause of short-term absence (78%), followed by mental health (29%).

A member of the Committee raised concerns regarding the accuracy of compliance data in the training dashboard, particularly where completed training was inaccurately recorded as incomplete. A Governor shared a specific example in which training had been completed and evidenced, but still appeared as outstanding in the system. This raised broader questions about the reliability of the current HR system and the potential for incorrect reporting. In response the Committee was advised that the current system has known limitations and is being replaced. A new system will enable more accurate, real-time reporting. The issue has been acknowledged and steps are being taken to rectify any inaccuracies.

9.2 PEOPLE AND CULTURE - KEY PRIORITIES

The Committee noted that significant strides have been made over the summer in staff recruitment both across the College and with the P&C Department. A new Learning and Development Manager joined during the summer, and a dedicated recruiter was also engaged on a short-term contract, who along with the implementation of a new applicant tracking system, has significantly improved recruitment outcomes. Between June and the date of the meeting, the College received 1,100 applications for 546 posts which is largely attributed to the targeted work of the People Operations Manager and the recruitment team. Staff recruitment and retention risks have been downgraded to items 5 and 6 on the organisational risk register.

There has been an increase in employee relations cases which is being attributed to proactive case management, especially in relation to sickness absence, following recent policy changes as approved by the committee. The Business Partners team have increased their support to managers, which is resulting in more consistent and confident case handling. The Committee were assured that whilst Employee Relation case numbers have begun to rise again since the start of term, the department is better equipped to manage these through improved systems and staffing.

The report highlighted strong delivery of CPD opportunities, with further sessions scheduled.

10. PROPERTY MATTERS - VERBAL REPORT

It was noted that planning permission for the new Motor Vehicle Workshop has been delayed due to the requirement for ecological surveys.

The College is in the final stages of preparing a funding application for the electric motor vehicle block refurbishment, which involves converting the former Art block. The Committee were made aware that the motor vehicle workshop is located on a brownfield site and whilst the perceived risk is low, potential planning sensitivities have been acknowledged.

Summer improvement works are still ongoing and are expected to be completed by October half-term.

The College continues to develop its Estate's master plan, including consideration of a new block and reconfiguration of car parking areas. Further detail included in the Part 2 confidential paper. Feedback from the recent DfE visit is expected in 3 to 6 months, which may influence future funding and planning priorities.

11. STUDENT ENROLMENTS 2025-26 - VERBAL REPORT

16–18 Enrolments:

The College's current enrolment stands at 4,308 against an allocation target of 4,155. It is expected that the final figure will rise to approximately 4,385, taking into account some adult learners funded under the 16–18 funding stream.

It is anticipated that the number may settle around 4,290, which would place the College approximately 140–150 learners above allocation. If current ESFA rules remain unchanged, this would make the College eligible for growth funding, albeit modest in scale, and would contribute to a larger allocation for 2026–27.

The R04 return, due in early December, informs potential in-year growth funding and a significant portion of next year's allocation.

Apprenticeships:

The Q1 target for apprenticeships (by end of October) is 432. The College is on track to exceed this, with:

369 apprentices either fully enrolled or in the final stages of enrolment, 462 enrolment packs issued, each linked to a named student and employer.

Adult Education:

It remains too early in the academic year to provide a reliable update on adult enrolments.

Higher Education:

- Full-time HE students: 106 enrolled, which is 8 below target.
- Part-time HE students: 72 enrolled, 8 above target.

The Committee noted that overall student numbers and apprenticeship activity are tracking positively against targets, with a favourable outlook for funding opportunities linked to growth.

12. MONTHLY MANAGEMENT REPORT

The Committee received a summary of the current financial position. The committee noted there were no significant changes since the last report. The College is projecting a surplus for the year, indicating a strong financial position. A 'Good' financial health rating has been achieved.

The year-end accounts have been finalised and submitted on time, with no significant issues identified to date by the auditors.

The Local Government Pension Scheme actuarial report has been received.

The Committee noted the positive financial position and that the audit process was proceeding smoothly.

13. REVIEW OF MEETING

It was agreed that there were no items to be reported to the Board from this meeting. Item 5 to be recorded as a confidential minute.

14. MEETING DATES 2025-26

To NOTE the forthcoming meeting dates:

Tuesday 25 November 2025

Thursday 5 March 2026

Tuesday 12 May 2026

Thursday 2 July

All meetings to take place at 4.30pm at the Colchester Campus

The committee **NOTED** the meeting dates.