CITY OF WOLVERHAMPTON COLLEGE

Minutes of a Meeting of the Finance and Resources Committee held on Thursday 5 March 2026 at 5pm on Teams

PRESENT

Mr Mark Taylor - Chair	Ms Louise Fall – Principal and Chief Executive
Mr Simon Evans	Mr Mike Hastings
Ms Susan Lawrence	

IN ATTENDANCE

Mrs Alison Buick	Head of Governance
Mrs Mary Carter	Head of Human Resources
Mr Paul Davies	Assistant Principal Finance IT and Commercial
Mr Dan Degg	Head of Employer Engagement and Business Development - Observer
Ms Jill Law	Head of Finance
Mr Peter Merry	Deputy Principal and Chief Executive

CHAIR'S OPENING REMARKS

The Chair welcomed all to the meeting, thanking Governors for attending and the management team for the papers provided.

31/26 APOLOGIES AND DECLARATIONS OF INTEREST (ITEM 1)

There were no apologies as all committee members were present.

Mark Taylor made his usual declaration of loyalty as an employee of Wolverhampton City Council. He had not identified any conflicts from papers provided for this meeting but was willing to step out of the meeting for any discussions at the request of other governors.

32/26 MINUTES OF THE PREVIOUS MEETING (29 JANUARY 2026) AND MATTERS ARISING (ITEM 2)

Resolved - that the minutes and confidential minutes of the meeting held on 29 January 2026 be approved as a correct record.

The previously agreed actions were reviewed and the following were noted;

- A date would be agreed to review the Memorandum of Understanding.
- A repayment plan with NIS was still to be discussed, but it had been agreed that NIS would be asked to provide some more up to date financial information.

(Susan Lawrence arrived at 5.05pm)

- The necessary steps to reduce the pay to income ratio down to the FE Commissioner's benchmark of 65% were explained. The expected reduction of LGPS costs from April 2026 would improve this measure.

33/26 CHAIR'S ACTIONS (ITEM 3)

None.

34/26 WORKFORCE OVERVIEW INCLUDING PROFESSIONAL LEARNING (ITEM 4)

The Head of HR referred to her written report and the following were highlighted:

- Workforce profile, including total staff and breakdown of categories.
- HR casework including long term sickness. The majority of long-term sickness was seen in business support areas. There were some particularly lengthy and complex cases.

The Chair asked for clarification on the college sick pay policy. This was confirmed as six months full pay and six months half pay after five years' service (pro rata until that point). Different arrangements were in place for Enterprises staff, who received statutory sick pay. It was also confirmed that there were processes through the pension schemes to allow for ill health retirement if criteria were met.

A Governor asked how the college sickness rate compared year on year and also compared to local and national data. The Head of HR confirmed that the college rate had been high but was slowly coming down. Data compared to other colleges would be brought to a future meeting. Action: Head of HR.

A Governor noted that the reason for a significant amount of sickness was stress. The term 'emotional labour' was queried. This was explained as a high workload or a sustained type of work that could affect mental health.

- Use of occupational health referrals and the Managing Attendance Policy were explained. These were useful in identifying any underlying conditions or reasons for short term illnesses, which were often difficult to manage. Some staff had agreed wellness action plans through occupational health.
- There were ten live grievance cases, all of which related to allegations of inappropriate behaviour. A Dignity at Work policy was to be drafted.
- Statistics for cases relating to disciplinary, student complaints, expectation meetings, re-structuring, flexible working requests probation, maternity leave and re-grade requests were all outlined.

Governors were pleased to see the level of detail provided as it gave a clear picture of what was happening and some key recommendations. Questions were asked about how this was used to shape future actions, particularly around equipping staff to better manage staffing issues.

The Head of HR responded that there were concerns about the impact of long-term sickness on the college. Better use needed to be made of earlier occupational health referrals. There was also an identified need for more support and coaching for managers, to reduce the level of formal processes. Understanding workload concerns was also a priority. Leadership development would address some of these issues for both existing and aspiring leaders.

A Governor asked about processes for staff surveys and these were explained. The merits of face to face and anonymised feedback were considered. Some drop in sessions with HR staff were also offered. The Principal added that she published a monthly all staff update, 'Louise's Lowdown'. This was sometimes a written update and sometimes a video recording. A group of randomly selected staff was also invited to a discussion forum with her. This was intended to gather feedback on a wide variety of topics. The latest annual survey indicated that staff did feel that communications had improved.

A Governor asked if targets for mandatory e-training should be provided as well as the actual completion rates. The Head of HR responded that mandatory training was to be completed by all staff so the target was 100%. Actual figures fluctuated due to starters, leavers and people who were off due to sickness or maternity leave. It was confirmed that the college had clear records to show who had and had not completed their mandatory training. Follow up actions were taken. A comment was made that other organisations stopped pay increments and progression if mandatory training was not completed. This could be considered, but would need to be confirmed as lawful, negotiated with unions and included in contracts.

35/26 GENDER PAY GAP REPORT (ITEM 5)

The Deputy Principal and Chief Executive commented on the report, which would be presented to Board for approval later in the month. It related to the period to 31 March 2025 and was required to be published on the college website once approved.

At the date of the report, the college had employed 516 staff, of which approximately two thirds were female. The mean gap was 13% and the median gap was 24%. These figures had reduced significantly since the last report and compared well to other FE providers. Reasons for changes were explained. Across the top two quartiles there was a fairly even gender mix, whereas the lower two quartiles had a higher proportion of female staff.

Management was confident that there was no gender bias in recruitment.

It was noted that some changes to the Employment Rights law meant that a measurable action plan was required from 2027.

(Mary Carter left at 5.45pm).

36/26 CHANGES TO THE FE SORP (ITEM 6)

The Head of Finance shared her screen and gave a short presentation on forthcoming changes and the expected impact. Governors noted the following:

- The main changes related to accounting for operational leases and aimed to give a truer picture of financial commitments.
- The effective date of the changes would be 1 August 2026, which meant that the impact would be seen in the college's statutory accounts from 2026/27. There was no requirement to re-state accounts for the previous year.
- There would be some impact on financial ratios:
    - EBITDA would increase.
    - Profitability was likely to dip.
    - Gearing ratio would increase.
    - The balance sheet would be adjusted as assets and liabilities would both increase.
    - Return on assets would be weaker.
    - There would be no changes to actual cash payments but operational cashflow would improve.
- The college had some leased properties but no significant non-property leases.
- The impact on both the Income and Expenditure account and the Balance Sheet was explained.
- The EBITDA was expected to increase from 7.5% to 8.37%, giving an extra ten points and moving the financial health score to outstanding.

37/26 <u>MANAGEMENT ACCOUNTS – DECEMBER 2025 (ITEM 7)</u>

The Assistant Principal Finance, IT and Commercial shared his screen and provided an overview of the management accounts for December 2025. Due to timings, January reports were not available but a verbal update would be given.

- EBITDA in December had been £606k, which was below budget, but in January had improved to £1.4m. The split of this between college and partnership activities was noted.
- There was a shortfall in partnership income as the WMCA allocation had been reduced.
- There was a shortfall of £110k in adult classroom activity but this was showing improvement in January and February.
- The apprenticeships budget of £2.5m was expected to be achieved by year-end.
- HE fees were on track to meet budget although the actual mix of fees was different to that planned.
- Income from advanced learner loans and from full cost recovery courses had reduced.
- Income from commercial activities was mixed, with polymer having grown but catering reduced.
- Overall income to December was down £4m on budget, primarily due to the reduction in partnerships. There remained some risks around the rail provision.
- Pay costs in December and January were favourable to budget but there was pressure on agency costs. There were some high-level posts currently being filled on an interim basis.
- The budget had provision for a pay award.
- The pay to turnover ratio was 72.5%, significantly above the FE Commissioner benchmark of 65%. A reduction in the costs of the LGPS down to 9% was expected from April 2026. This would help to improve this ratio.
- The legal title to CLQ had now been received so the accounting transactions associated with this would be in February's management accounts.
- The sale of Newhampton Arts Centre had been completed and sale proceeds were expected this week.
- Capital works at Telford were expected to complete by the end of March.
- The cash position was positive and expected to remain so until the year end. The WMCA clawback for under delivery in 2024/25 had been repaid this week.
- A delivery plan was to be agreed to recover the debt for rail provision.
- The loan interest rate was due to change on 1 April 2026.
- The current financial health score was Good.
- The sale of Paget Road was unlikely to complete during this year, so any potential proceeds were not included in the forecast. The biggest risks to meeting the budget now were the ability to fulfil the rail contract and recovering the subcontractor debt.

The Chair commented on the strong financial performance despite some specific challenges. The thresholds for the financial health scores were queried. The Assistant Principal confirmed that 180 points were required to achieve Good. Below this would be Requires Improvement. The health score would be positively impacted from sale proceeds of Paget Road in due course.

Resolved – that the Management accounts to December 2025 were received.

38/26 POLICY APPROVALS (ITEM 8)

Fees Policy 2026/27
The policy had been reviewed and there were no significant changes. There were small increases to HE fees, which would be £6k for a full-time course and £3k for a part time course. These increases were below Office for Students thresholds so remained competitive whilst ensuring margins of 40%.

It was recommended that the Committee approve the Tuition Fees Policy 2026/27, including the accompanying Fees Schedule, for implementation from 1 August 2026. This was subject to changes to:
• household income thresholds for WMCA and DfE
• University of Wolverhampton tuition fees
• Finalising fees for HNC Counselling.
• Determination of multi-year fees

Financial Regulations
The Procurement Act 2023 had published new thresholds for the awarding of public contracts for goods, works and services. These thresholds came into force on 1 January 2026. The Financial Regulations had therefore been updated to reflect this, as well as some minor changes to naming conventions for two job titles and DfE as the College's funding agency.

The Chair commented that the payment of VAT on supplies was unclear and it was agreed to clarify this.

Resolved – that Fees Policy and Financial Regulations were approved subject to the amendments discussed.

39/26 COMMERCIAL ACTIVITIES REPORT (ITEM 9)

The Assistant Principal Finance IT and Commercial referred to his written report, which gave an update on polymer, the hair salon, sports facilities and activities with the Grand Theatre.

It was pleasing to note the growth in income and margins for polymer. Since the introduction of the new apprenticeship standard in February 2024, over 40 apprentices had been enrolled. Performance for the year to date was ahead of budget and higher than last year. A new Centre Manager had been appointed as the current manager was due to retire at Easter. Marketing activities were continuing, with attendance at a large trade fair and developing relationships with the British Plastics Federation.

Unfortunately, there had been no improvement in the performance of health & safety courses. A review of this area was ongoing.

The hair salon had moved to CLQ and the client base had grown as a result of the more central location. Income was up but staffing costs were to be reviewed with the aim of improving margins. Reporting systems for the salon were being developed.

Sports centre income had increased but there were pressures on margins. Staffing vacancies last term had now been filled. A HAF funding application had been submitted to run activities during school holidays. This was now at stage 2 so the outcome was awaited.

The commercial offer with the Grand Theatre had not progressed as the lighting rig at CLQ had not been completed. Alternative uses of the space, such as comedy acts, were being considered. However, staff at the theatre were discussing other activities with the Curriculum Manager. These included workshops for the curriculum, work experience and discounted show tickets.

The Chair asked about the remaining useful life of the 4G pitch. The Assistant Principal confirmed that the pitch was still accredited by the FA and that regular checks were done. It was not expected that it would need to be replaced in the next two years.

40/26 BUDGET SETTING PROCESS (ITEM 10)

The Assistant Principal Finance IT and Commercial gave a short outline of the budget setting process, including the timelines for reporting back to this Committee and for submitting the draft budget for Board approval in July.

The budget supported curriculum planning, which had started before Christmas and aimed to complete by Easter. The Finance team had also started the process for inviting and then reviewing requests for capital expenditure. Work had started to look at overhead costs for buildings and energy.

The management team was confident that the process was robust. The approved budget needed to be submitted to DfE by 31 July 2026. There were no concerns about meeting this deadline.

A Governor commented that budget setting was a time-consuming process that could potentially be assisted by use of AI.

The Chair asked whether the budget would also include a medium-term projection. The Assistant Principal explained the three-year financial forecast that DfE required, which included 2026/27 as year one.

Some of the high-level budget assumptions were noted, including encouraging signs of learner number growth, the reduction to LGPS costs from April 2026 and the likelihood of Government extending funding for increased National Insurance costs for another year.

41/26 ANY OTHER BUSINESS

None.

42/26 CONFIDENTIALITY (ITEM 7)

No items were identified to be recorded as confidential.

43/26 DATE AND TIME OF NEXT MEETING (ITEM 10)

Thursday 18 June 2026, 5pm on Teams.

The meeting ended at 6.45pm.