

CITY OF WOLVERHAMPTON COLLEGE

Minutes of a Meeting of the Finance and Resources Committee held on Thursday 9 October 2025 at 5pm on Teams

PRESENT

Mr Mark Taylor - Chair	Ms Louise Fall – Principal and Chief Executive
Mr Simon Evans	

IN ATTENDANCE

Mrs Alison Buick	Head of Governance
Mrs Mary Carter – until 6.30pm	Head of Human Resources
Mr Paul Davies	Assistant Principal – Finance & IT
Mr Peter Merry	Deputy Principal and Chief Executive

CHAIR'S OPENING REMARKS

The Chair welcomed all to the first meeting of the newly formed Finance and Resources Committee, thanking Governors for attending and the management team for the papers provided.

01/26 APOLOGIES AND DECLARATIONS OF INTEREST (ITEM 1)

Apologies were received from Mike Hastings.

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.

02/26 MATTERS ARISING – BCIMO LEASE (ITEM 2)

The Deputy Principal and Chief Executive reported that the Board had delegated authority to this Committee for the review and approval of updated lease terms following the change of ownership of the property at Dudley. However, no documents had been received so there was no update at this time.

03/26 COMMITTEE TERMS OF REFERENCE AND ANNUAL CYCLE OF BUSINESS (ITEM 3)

A draft Committee cycle of business for 2025/26 had been included with the papers. It would be used as the basis for drafting agendas for each meeting year, but would remain flexible to allow Governors and the Executive Management Team to change items as necessary.

Resolved – that the Committee annual cycle of business was approved.

The draft terms of reference for each of the Board Committees and Task & Finish Groups had been approved at the Board meeting on 18 September 2025. The Terms of Reference for this Committee were included in the papers for this inaugural meeting for information.

The Chair asked if there was an overlap with the role of the Audit Committee on the scrutiny of the financial statements. The Deputy Principal and Chief Executive confirmed that the numeric content would be reviewed at this Committee and that the Audit Committee would receive the Key Issues for Discussion Document (KIDD) from the external auditor and have an opportunity to discuss this directly with the auditors. The Audit Committee would receive the draft financial statements alongside the KIDD for information.

The Head of Governance added that there could be a joint meeting of the two Committees potentially in November, or the respective Chairs could be invited to the other meeting. Governors were in favour of a practical solution to minimise duplication. The approach would be confirmed.

04/26 CHAIR'S ACTIONS (ITEM 4)

None.

05/26 MANAGEMENT ACCOUNTS JULY 2025 (ITEM 5)

The Assistant Principal Finance, IT and Commercial provided an overview of the management accounts for July 2025. A summary had been shared with the Board in September.

It was noted that KPIs for EBITDA, current ratio, gearing and the FE Commissioner's indicators all showed strong performance for 2024/25. EBITDA was £3.35m (8.55%) compared to budget of £2.8m (5.53%). Around 30% of the college turnover related to partnership activities, notably with NIS, so the reliance on this was noted.

Preparations were ongoing for the external audit, which was due to start in mid-October. An operating surplus reconciliation between the budget and draft year-end position was shown in the written report. The main variances were noted, including:

- £1.16m increase to 16-19 funding due to the in-year funding increase and the post-16 grant awarded for the non-consolidated pay award, plus increases to local authority High Needs funding.
- A likely shortfall in adult funding compared to budget, but higher than previously forecast.
- A deficit for apprenticeship income but with a lower gap than currently once all claims for ALS and outcomes were finalised.
- A deficit for partnership margins.
- Lower than budgeted commercial and catering income.
- Pay costs were broadly on budget, supported by additional grant funding.
- Significant overhead savings due to lower than expected utility costs. There would be some increase to this whilst there was overlap of running at Paget Road and CLQ.
- The year-end position was expected to be 7% EBITDA and £3m draft surplus.

Further income was expected to be recognised after the final funding return had been completed.

The Chair commented that the executive summary was very helpful. The work with partners had been very beneficial for the college, learners, WMCA and the city although it was not without risks. It was useful to see the underlying performance of the college as well. The leadership team was thanked for the work over several years to considerably improve the financial position.

The Deputy Principal and Chief Executive noted the work of the Exec team in starting to do some medium term planning for the rest of this year. The impact of CLQ would be key in this. Financial modelling for the next couple of years was needed.

The Assistant Principal commented on the balance sheet:

- There had been significant investment in year.
- The value of ATAC was now on the balance sheet.
- There had been cash investment in T Levels and capital investment into engineering equipment. The effect of ATAC had seen an uplift of 88% in learner numbers and an enhancement to the college reputation.
- There had been £1.8m increase in working capital year on year. Cash balances were healthy. At least 40 days of cash in hand was being maintained in line with FE Commissioner expectations.
- The draft year-end financial health score was outstanding.
- There was an actuarial loss on the pension. Provision was in the accounts for the cost. There were a significant number of pensioners in the scheme and the impact of this was explained.

The Chair asked if any further DfE funding bids were possible. The Deputy Principal and Chief Executive noted that the Board had recently approved the property strategy and it was hoped that bidding opportunities would be available. Recent Government announcements indicated a willingness to invest in FE generally. However, the funding seemed to be moving towards allocations for specific purposes rather than bidding. Priorities seemed to be for teaching and learning spaces rather than circulation spaces. Funds recently received had been for condition issues.

There was a discussion about the use of funds from the Paget Road disposal and what may be used for pay down of debt and other site enhancements.

The Assistant Principal commented on the condition survey being done this year. This would identify issues to be addressed.

There was a discussion about the LGPS asset. It had been capped at nil last year and the same was expected this year. The Chair commented on the latest triennial actuarial valuation, which could have a positive impact. The Deputy Principal and Chief Executive stated that the college had no feedback on this yet. New contribution rates were expected from April 2026. It was agreed that a discussion about the Memorandum of Understanding between the council and college was needed. It had been in place since 2018 and an update was required. Action: Chair and Deputy Principal and Chief Executive.

The Assistant Principal also commented on the draft consolidated accounts. This showed a provisional surplus of £35k for City of Wolverhampton College Enterprises Ltd. This would be gift aided back to the college.

A Governor noted that the accounts showed a strong position. This reflected hard work of the staff. The Chair agreed and added that the balance sheet position would be further improved once CLQ was added next year.

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

06/26 POLICY APPROVALS (ITEM 6)

The Assistant Principal had provided the Financial Regulations for approval as part of the annual cycle of business. There were no changes. However some updates would be necessary for the new Procurement Act later in the year. The Finance team would also be reviewing approval levels to take account of inflationary pressures seen in the last few years.

Resolved – that the Financial Regulations were approved.

07/26 HUMAN RESOURCES REPORT (ITEM 7)

The Head of Human Resources (HR) presented her report, which covered information from 1 August to 19 September 2025. As this was the first such report, Governors were invited to provide feedback so that it could be further developed over time. The following information was noted:

- The make-up of the HR and payroll team
- The aspects of work covered – recruitment, leavers, casework, wellbeing and strategic development.

The Chair confirmed that the executive summary had been helpful. The Principal added that trend analysis would be useful for future reports.

(Simon Evans left at 6pm)

There was a discussion about caseload and the need to have strategies in place to manage issues at an earlier stage. This would enable staff to deal with issues and improve both HR and management capacity to do more positive, supportive work. It was also important to understand the health of the organisation, as indicated by things like turnover and sickness absence levels. Better awareness would assist in strategic decision making. The very time consuming nature of HR casework was acknowledged.

- The law regarding flexible working had changed. Staff had the right to request this but the college would need to decide if it was possible. One such request had been received and agreed so far. An emerging trend was requests for flexible retirements, which was expected to continue. All requests were reviewed on a case by case basis and financial implications were reviewed.

(Simon Evans returned at 6.05pm)

Governors discussed the format and contents of the report and agreed that an appropriate level of detail had been provided.

A Governor asked what support was being provided to equip the leadership team with skills to deliver the new strategic plan. The Head of HR responded that this was an area being developed. Succession planning and recruitment had some challenges. There were some recruitment hotspots such as electrical currently, which seemed to be an issue in many colleges. It was confirmed that there was no skills gap analysis. This may be possible once the new HR system was in place. Governors felt that this was an area to be reviewed at a future meeting. Staff development and having a workforce strategy were key, but also recognised as work to do incrementally over time.

Current senior management vacancies were noted, including for Heads of Faculty. There was a discussion about how new staff were attracted to the college and what packages were offered to make the college competitive. Colleges generally were not allowed to access salary sacrifice schemes in the same way as other areas of the public sector. It was understood that the Government was reviewing this.

The procurement exercise for the new HR system was noted. Stage 1 had been completed and two providers had been selected to move to stage 2. Tenders would be evaluated in mid-October. The final recommendation would go to Board for approval.

UCU had written to colleges with a request for a 10% pay award and agreement to national pay bargaining for college. It had been indicated that a dispute would follow if this was not met. 77 colleges, including Wolverhampton, were now in a formal pay dispute. A ballot of UCU members was due to close on 17 November, so there were no further details at this time. The local branch had met in college the previous week. Management were considering plans in the event that there was strike action in future. 99 staff were UCU members.

Governors discussed the need for different thresholds to be met before any strike action could be agreed. It was noted that AOC had recommended a 4% pay award, but for colleges where financial circumstances and funding allocations allowed. 4% was above inflation. Pay awards for Wolverhampton were usually with effect from 1 February, so at this time it was too early to make any decisions. The budget had a provision for 4%, based on what school teachers had received. There was also provision for 5% increase to National Living Wage from April 2026. Managers and Governors would have a further discussion about a pay award later in the year. The Principal would issue appropriate communications to staff and students if strike action was agreed.

The Head of HR was thanked for her report and left at 6.30pm.

08/26 COMMERCIAL ACTIVITIES REPORT (ITEM 8)

The Assistant Principal Finance, IT and Commercial presented his report, which gave an overview of the provision and plans for the future:

- Polymer and Health & Safety training was located at Telford
- There was a 3D sports pitch, sports hall and gym at Wellington Road
- The hair and beauty salon had re-located to CLQ and had been the first area of the new building to open.

Polymer training was well embedded in the curriculum offer. There were six machines in the workshop, of which five had been donated. All were regularly replaced to ensure that they remained at industry standard. Income in 2024/25 was £635k with projected net margin of £100k. There was a mix of commercial funded learners and apprentices. A new Apprenticeship Standard had been introduced in February 2024 so efforts had been made to recruit to this. Polymer staffing would be reviewed as the centre manager was due to retire next year.

Health & Safety training faced increasing competition from online providers so was being reviewed. A deficit had been recorded in 2024/25. As Governors were aware from the recent Board meeting, some rationalisation of the space used at Telford was being considered. This was part of the wider Property Strategy. Some consultation was planned during October with decisions expected in November.

The pricing and support staffing for the hair salon was also being reviewed.

The year-end deficit for sports provision was noted. The 3D pitch was a community asset that was well used by youth teams at weekends and there was a sponsorship arrangement with Bilston Town FC for two hours per week. However, some tracking of occupancy rates versus capacity was needed.

There were ongoing discussion with the Grand Theatre regarding performing arts provision. A draft Memorandum of Understanding had been received for review. Governors were advised that there was still no final decision on the funding of the new lighting rig at CLQ.

Governors discussed the polymer provision and reasons why it had been located at Telford. It was noted as being a central location to which learners travelled from across the country. The provision of other facilities, such as the salon, was also discussed. Whilst there were commercial considerations, there were also curriculum benefits for students being able to work in industry standard learning environments.

The Chair noted that the Council was funded for school holiday clubs so there was a possibility of the college being able to host some activities. This would be further discussed at his link visit. Action: Chair and Assistant Principal Finance, IT and Commercial.

A Governor asked about the strategic intent for Health & Safety training. The Assistant Principal responded that it was not a high strategic priority but that consideration needed to be given to an appropriate level of time and effort to drive higher income. It was a small area with two staff and some admin support. Although loss making, it was not a material amount.

09/26 REGULARITY AUDIT SELF-ASSESSMENT QUESTIONNAIRE (ITEM 9)

The questionnaire was noted. The auditors would be reviewing this and the final version would be brought back for review.

The Chair suggested that it be RAG rated and this was agreed. Action: Assistant Principal Finance, IT and Commercial.

10/26 CONFIDENTIALITY (ITEM 10)

It was resolved that the following reports would remain confidential:

- BCIMO
- Financial Regulations
- Human Resources

11/26 DATE AND TIME OF NEXT MEETING (ITEM 11)

Thursday 13 November 2025, 5pm on Teams.

The meeting ended at 6.55pm.