

**Minutes of: Finance and General Purposes Committee**

**Date:** 4:30pm on 23<sup>rd</sup> June 2025      **Location:** A5, College Road Campus

Present	In attendance
<ul style="list-style-type: none"> <li>▪ Mervyn Jones (<i>Chair</i>)</li> <li>▪ Abigail Appleton (<i>Principal &amp; CE</i>)</li> <li>▪ Peta Darnley (<i>Online, present until item 5(d)</i>)</li> <li>▪ Nicola Hewitt</li> </ul> <p>Collectively referred to as the “<i>Committee</i>” and individually as a “<i>Committee Member</i>”</p>	<ul style="list-style-type: none"> <li>▪ Tim Williams (<i>Finance Director, “FD”</i>)</li> <li>▪ Abigail Boyce (<i>Clerk to the Corporation, “Clerk”</i>)</li> </ul>
<b>Quoracy:</b> Meeting was quorate in accordance with paragraph 1 below.	<b>Absent:</b> John Auckland and Clive Hodgeman

**1. Quorum**

The meeting was duly convened as a quorum as three members was present, satisfying the quorum requirement set out in Section 2, Clause 2.2 of the Standing Orders (*Finance and General Purposes Committee of Reference*).

**2. Apologies and Declarations**

- Apologies for absence:** Apologies for absence were received from John Auckland and Clive Hodgeman.
- Declarations of interest:** there were no new declarations of interest.

**3. Minutes of last meeting**

- Approval of minutes of meetings held on 31<sup>st</sup> March and 02<sup>nd</sup> May 2025:** the minutes were approved as a true and accurate record.
- Matters Arising:** all actions were noted as complete or as in progress.

**4. Order of Agenda**

Please note that agenda items were considered in a revised order to accommodate the early departure of a Committee Member. Consequently, the order of items in these minutes reflects the sequence of discussion rather than the original agenda.

**5. Annual Committee items: Election of Chair 2025/26**

In accordance with the College’s agreed process for the appointment of Committee Chairs, the Clerk had circulated a communication to all Committee members in advance of the meeting, inviting any thoughts or comments regarding the election of the Chair. The Committee discussed the election of the Chair for the forthcoming academic year and confirmed the nomination of Nicola Hewitt as Chair of the Finance and General Purposes Committee. This recommendation will be submitted to the Governing Body for formal approval in line with Standing Orders. The Committee thanked Mervyn Jones for their contribution in the role over the past year.

**6. Finance Reports**

**a. Management Accounts**

The Finance Director presented the April accounts, confirming their submission to the Department for Education and noting minimal changes since the previous month. A

Governor queried the reported £1 million decrease in net assets. The Finance Director explained this was due to the timing of capital grants received and subsequently spent within the financial year. The Finance Director agreed to investigate a discrepancy noted by the Governor regarding the figures. It was acknowledged that the balance sheet may appear distorted due to this timing issue, and a Governor recommended including a footnote or explanation within the financial statements to provide clarity and prevent misunderstanding.

**b. Budget 25-26 and Financial Plan 2026-27 (for review prior to Board approval)**

The Finance Director updated the Committee on the increased 16–18 funding, while highlighting a projected ‘Requires Improvement’ financial position for 2025–26, with potential improvement to ‘Good’ in 2026–27 contingent upon meeting recruitment targets. A Committee Member raised concerns regarding inconsistencies in recruitment data, resulting in plans to provide clearer summaries and improve data alignment across committees. The FD explained how payroll remains the largest expenditure and exceeds the FE Commissioner’s benchmark levels, prompting a Committee Member to suggest a review of staff-to-student ratios to enhance efficiency. Other operational costs were reviewed, with student accommodation currently not presenting a concern as currently at full occupancy. The Finance Director noted anticipated cashflow fluctuations and outlined contingency measures should cash reserves fall below critical thresholds. In response to a query about critical cash thresholds, the FD advised that while £1 million is a general benchmark for board-level concern, a drop below £1.4 million would pose a significant risk as it may not sustain operations until the next funding instalment. The Chair summarised key actions to improve the budget, including reviewing staff costs and exploring schemes that HCA could utilise to create financial buffers. The Committee agreed on the importance of clearer financial reporting and close monitoring of cashflow, particularly around May. It was agreed that a financial grid, including targets alongside figures, would be helpful to consolidate all relevant information in one place.

**Action:** The FD will review and report back on cashflow to the FGP Committee.

**c. Costs on Diploma in Fashion Business and Retail**

The Principal presented a new course scheduled for launch in September 2026, noting that staffing costs will be accommodated within the existing budget, with a course leader to be appointed by Easter. Marketing efforts will primarily focus on engagement with local schools, given the high cost of formal market research. It was noted that the course could attract increased participation in digital subjects from women. The Committee expressed concerns regarding the course title’s appeal to the target demographic and recommended a review of the branding. The potential for partnerships with local businesses to provide work experience and internship opportunities was also discussed. The Committee recommended the Board approve the course in principle, emphasising the importance of alignment with the college’s broader activities. The Principal confirmed the course will proceed subject to satisfactory application numbers and committed to presenting a marketing strategy and risk assessment, including downside scenarios, at the forthcoming Board meeting.

**d. College Pension Schemes**

The Finance Director presented an overview of the pension schemes, clarifying that the College is restricted to offering either the Teachers' Pension Scheme (TPS) or the Local Government Pension Scheme (LGPS). He noted that the number of opt-outs remains minimal and confirmed that HCA is not obliged to provide alternative pension options. The information was duly noted by the Committee, with no questions raised.

**7. Strategy and KPIs: KPIs and Objectives for Committee**

The Principal outlined plans to comprehensively redraft the objectives, clearly specifying which committees will oversee them and how progress against key performance indicators will be monitored. The Chair highlighted that this approach ensures important areas, such as short courses, receive appropriate attention during meetings and are incorporated into the FGP agenda. A committee member inquired about the recent pay rises, to which the FD and Principal responded that they have been broadly accepted, with no negative feedback received to date. The committee noted that it would be best to postpone the pay scale review due to current workload pressures of the Principal, with an update to be provided in due course.

**8. Marketing and Recruitment Report**

The Principal presented the report and a Committee member inquired about how HCA plans to track leads and conversions going forward, highlighting that this would aid forecasting by providing early warning if prospective student numbers are low. Another Committee member commented that the outreach section, particularly for FE, appeared underdeveloped, noting that most outreach activity referenced relates to HE. The Principal responded that outreach efforts have improved, emphasising the focus on quality engagement with key local schools, which remain important feeder institutions.

**9. Letter from FE Commissioner: Financial Benchmarks**

The Committee noted the Letter from the FE Commissioner regarding financial benchmarks. While there was no direct discussion on this item, its contents were reflected in and informed other agenda items, particularly the budget review.

**10. Health and Safety Reports and Statement**

**a. Health and Safety Report**

The Principal informed the committee of the Health and Safety Committee's meeting postponement and provided an update on reported accidents. The committee stressed the importance of contractor health and safety due to liability and reputational risks. The Principal confirmed robust procedures, including contractor sign-in overseen by the estates team. A Committee Member requested the inclusion of a table showing annual near misses and related trends.

**b. Annual review of Health and Safety Committee Terms of Reference**

The committee noted and approved the Health and Safety Committee Terms of Reference.

**c. Health and Safety Statement (for review prior to Board approval)**

The committee noted the Health and Safety Statement, subject to a minor clarification regarding the monitoring of employers' health, and approved the statement.

## **11. Operations Report**

The Principal presented the report, highlighting the IT team's plans to apply for Cyber Essentials certification as an initial step towards improving cybersecurity. A Committee Member suggested engaging a local cybersecurity firm to conduct realistic penetration testing. Discussion also covered the status of the boiler systems, with the FD confirming he would verify whether they use LPG or mains gas. It was noted that funding for maintenance grants applies only to owned buildings, such as Folly Lane, while leased properties like College Road require the college to cover costs internally. Additionally, the committee discussed the condition surveys, with the FD confirming that surveys will cover both sites. The Principal added that future surveys will be accompanied by an experienced staff member to better identify and address issues.

## **12. Student Protection Plan**

### **a. New Student Protection Plan: C5 replacing C3**

The FD provided a verbal update on the consultation regarding the removal of the Student Protection Plan (SPP), explaining that it is likely to be replaced by a consumer protection framework outlining required policies and procedures. He gave background on the reasons for this change. A Committee Member raised a query about potential disruption to student learning caused by protests or sit-ins, and how HCA would manage such situations. Another Committee Member asked whether a Force Majeure clause could be included. The Principal responded that the Office for Students (OfS) would not permit this, noting there is an assumption that if HCA is unable to deliver a course, students would be relocated to an alternative provider.

### **b. Student Protection Plan (for review prior to Board approval)**

The committee noted and approved the Student Protection Plan to be presented for Board approval.

## **13. Annual Committee items: Self-Assessment of Committee 2024/25**

The Committee acknowledged this as a fair and accurate assessment of its current performance. The Chair noted the Clerk's intention to revise the Terms of Reference and recommended including a provision clarifying that the objectives form a subset of the broader KPIs and objectives.

## **14. Close of Business and Date of Next Meeting**

With no further business to discuss, the Chair closed the meeting at 18:58. The next meeting is scheduled for Monday 29<sup>th</sup> September 2025, at 4:30 PM.

**Minutes approved:** ..... **Date:**