

SANDWELL COLLEGE

Minutes of the Finance & Strategy Committee meeting held on Thursday 13th March 2025, 4.00pm

Present: S Lai Independent Governor
L Capper Principal & CEO
J Tew Independent Governor (Chair)
N Edwards-Yesufu Independent Governor

In attendance: R Pickup Exec Director, Finance and Corporate Resources
B Beaty Exec Director, HR and OD
S Griffiths Exec Director, Strategy and Development
A Gordon Deputy Principal Curriculum & Skills
F Chalk Interim Governance Advisor
I Oldacre Director of Estates and Capital Development

Apologies: None

		Action
F25.1	Welcome and Apologies	
	All present were welcomed to the Committee. There were no apologies.	
F25.2	Declarations of Interest	
	There were no new declarations of interest.	
F25.3	<u>Minutes of the Finance & Strategy Committee meeting held on 21 November 2025</u>	
	RESOLVED THAT: The minutes were approved as a true and accurate record of the meeting.	
F25.4	<u>Matters Arising</u>	
	There were no matters arising.	
F25.5	<u>Strategy Update – KPI report</u> Governors scrutinised the performance of the College against the relevant KPIs. Governors noted that Sandwell College is performing positively against the majority of KPIs (although some KPIs do not yet have in year data as this information is still being collected). The LQCC looked at this report yesterday in detail, particularly the 3 highlighted areas that are rag-rated orange. Governors noted that at the start of the year, only 11% of students had work experience planned. The expectation is that it would be nearer 70%, so much work is being done to bring this about.	
	RESOLVED THAT: An updated report will be presented to the next meeting	
F25.6	<u>Capital & Estates Projects update – Financials & Strategy Aspect</u> The committee was updated on Estates Capital projects, including costs, timelines, and risks. Projects are in construction or planning for summer 2025. Sandwell College is leasing space in the Midland Metropolitan Learning Centre, with ongoing negotiations for additional space.	

	<p>The £4.7m Cadbury Campus project (Phase 4) was completed on budget. The £9.3m Skills Hub at Cradley Heath is under construction, with no major budget concerns.</p> <p>Condition Improvement Works (£6.7m) continue, including MEC Centre and Cadbury College refurbishments. MEC Phase 3 is progressing, with completion due June 2025. Cadbury College Phase 5 is in the design stage, with work starting mid-2025.</p> <p>LC advised that meetings had taken place with the NHS Trust regarding the Midland Met project, from which staff have received good feedback.</p> <p>It was reported that a £1m contingency that has been put aside for these projects, will see some of it spent elsewhere. These areas are for fire safety measure - £300-400k, together with replacement of the kitchen roof at Cadbury - £150k, so it is likely that £500k of this contingency will be utilised. The £1m was not going to be use this year.</p>	
	RESOLVED THAT: Governors asked for an update at the board meeting on 24th March	IO
F25.7	<p style="text-align: right;">Shokat joined the meeting</p> <p><u>Management Accounts</u></p> <p>Governors scrutinised the report to be assured on the financial stability of the college to enable delivery of the strategic objectives. Governors noted:</p> <ul style="list-style-type: none"> • The operating surplus, for the year to date, remains consistent with previous months at a £85k surplus. • The forecast operating surplus, is to be ahead of plan by C. £0.25m. This contains assumptions about growth and funding which have not yet been confirmed: <ul style="list-style-type: none"> • 100% of in-year growth in line with published formula • 24/25 pay and NI funding not announced or included • Cash remains ahead of plan but to exit year in-line with plan • KPI's remain on track for Outstanding financial performance • Overall position due to income over-performance off-set by increased non pay costs. • Income ahead of plan although no adjustments have been made for increased student numbers in the 16-19 provision. • Non pay costs – overspent due to increased numbers and purchase of consumables in the first part of the year. • Forecast shows position slightly ahead of plan £0.25m. This includes estimates on growth but does not include any income for national pay deals or NI funding. Announcements have been delayed from 13 February and it is unclear when this will be announced. • Additional spend potentially to prepare for any inspections would bring the forecast back to budget. • Apprenticeship income is below plan and predicted for a shortfall at the end of the year. • Forecast includes additional posts to start and £250k NI rises from April (part year effect). • Pay award for 2024/25 (5%), included in both plan and actuals. • Costs are above plan across discretionary spend <p>Governors were made aware that there have been some updates on funding since the paper was written. RP shared a presentation on the current funding position across 5 key areas. Governors noted that not all the detail on funding announcements have been released. This includes the pay award, rate uplift- 3.78% against 5%, NI increase £250k of costs with no guarantee of funding, growth funding 2/3rd of the published formula will now be paid, and capital funding – there is no new funding and a previously</p>	

	<p>allocate pot of monies is now going to include funding for schools and academies.</p> <p>The forecast was based on 100% receipt of growth funding not 2/3rds. The college has not put any funding in the forecast for pay and NI, so this will offset any loss from the lack of growth funding. The in-year growth funding lost is about £200k.</p> <p>Governors appreciated the transparency on the assumptions behind the forecast, and asked for headline figures to be presented to the Board on the current position, and highlight the areas that have not yet been clarified or confirmed. The committee will provide a level of assurance from their scrutiny of the detailed figures.</p> <p>Governors stated that the organisation is complex and is a £64m college. It was noted that £2m is spent on student transport, and queried this cost. This is driven by inflation; the cost of transport has been increased by the Council; the College has carried out some alignment to give greater fairness to students; and the college has more students. It was noted that there are 1585 students with free school meal entitlement and 1532 receive electronic note books</p> <p>Governors noted that agency costs are high in leu of staff costs, which are marginally below budget - £1,197k overspend. Governors asked what the percentage difference is with agency over staff. Agency costs are over 15% of employed staff, after on-costs are taken off. The college has increased security staff, and has not found sufficient levels of quality on potential employed staff, so have remained using agency. Also, staff had to be brought onboard quickly at the start of the year when student numbers suddenly increased.</p>	
	<p>RESOLVED THAT: Headline figures to be presented to the Board on the current position, highlighting the areas that have not yet been clarified or confirmed. The committee will provide a level of assurance from their scrutiny of the detailed figures.</p>	DP
25.8	<p>Budget Timetable</p> <p>Governors scrutinised the report to be assured of structured financial planning that aligns budget setting with strategic goals, allows timely review, and ensures compliance with regulatory guidelines, for informed decision-making and financial accountability.</p> <p>RP advised that this timetable follows the same process as last year with the exception that it has been more closely aligned with the curriculum planning process.</p> <p>Implementing a new finance system in May, and this will refresh the finance reporting the committee gets, with more trend analysis. The system is called Iris (PS financials) and is used a lot in the FE sector. The system was procured through a rigorous process, and this system scored top.</p> <p>The reasons for implementing a new system, which the college has been considering since 2021, is that it is outdated and the provider are stopping supporting the system, so there will be no new upgrades etc. It will remain operational on our servers. It also had no reporting package, whereas the new system does.</p> <p>Governors noted that the finance department are currently at the testing of migrating the system in a Sandbox system scenario.</p> <p>The risks and mitigations for this project were noted.</p> <p>The consultants have spent less time with the College than predicted due to the quality of the data provided by the College. This time will be carried forward for in-year support.</p>	

	<p>Governors asked about the go-live date, and shared their experiences of the difficulties and failures around implementing such complex systems, and the need to be really sure of performance before the system goes live. The first key date is 11th April, when new orders will be stopped on the old system. Testing should have been completed by this date. There is another 3 weeks to the next key gateway date, which gives some breathing space. The old system will be running alongside the new one for a while. The new system is a standalone finance system and doesn't integrate with other systems such as payroll – it is a simpler system, although it can be upgraded at a later date to interact with the likes of the payroll data.</p> <p>Governors asked:</p> <ul style="list-style-type: none"> • What the cost profile of the project is? There has been an upfront payment, with a subsequent installation cost, and an annual subscription fee. The overall cost is £65k with a relatively low annual subscription as it is a standalone system. • Has there been any peer information procured? Yes, this happened at the procurement stage, and the Iris system ranked 2nd from the user perspective from the market. 	
25.9	<p><u>HR Report</u></p> <p>Governors scrutinised the report to be assured that the college's workforce strategy supports its mission, operational effectiveness, and legal compliance; and those senior leaders are creating a well-managed, motivated, and high-performing workforce, within suitable financial constraints, that supports the college's long-term success</p> <p>Governors were advised of the following:</p> <p>Recruitment</p> <p>This is a national problem across the sector and neighbouring sectors. The KPI allows the college to measure the impact of the actions. There is a new post coming on board in April - the Director of communication, public affairs and external engagement, which will support this and other areas of work. There are 34 vacancies, which is across the whole college and also includes staff who have resigned but are currently still in post.</p> <p>Wellness</p> <p>Development of a new strategic framework on wellbeing is taking place. This shows the college's commitment in this area and the college is recognised for its work here too. External stakeholders have provided particularly helpful feedback. The document should be finalised in April.</p> <p>Development and Recognition</p> <p>The 'Continually Developing Talent' framework will house a number of operational plans, each with a dedicated audience and tailored offer of professional development.</p> <p>Employee Relations</p> <p>The number of cases remain low. Pay conversations with TU are opening early, and there is a lot of uncertainty around this at the moment.</p> <p>In addition, the Gender Pay Gap report detailed the average pay and mean gap, which has reduced this year, and compares positively to the local and national picture. The workforce composition report shows rising disclosure rates, which is positive.</p> <p>Governors commented on the criticalness of employer brand and how more could be done on the Sandwell Story – a great place to live and work. The Council is focusing on local recruitment, working with the DWP on generational unemployment issues – this could be a joined-up approach with the college.</p>	

	<p>Governors asked if there are any areas of concern? Greater movement in Leadership and Management around ethnicity – there has been some improvement, but it is still quite slow.</p> <p>LC advised that a campaign across Sandwell on Adult Learning is being drawn up, including what the Council are funding, and the DWP and the Combined Authority are looking at this and how to fund it.</p> <p>Governors advised that a good strategy could be to encourage college workers to promote their journey into the job through the social media, such as through blogging. This is something the new staff appointment will explore.</p> <p>Governors asked how the college will judge that the investment is working? The College is informed from what staff say, but also from staff engagement levels. Once the strategy has been launched, there will measurements reported back to this committee on impact.</p> <p>Governors questioned why the staff number in the Gender Pay Gap report is significantly lower than the staff number elsewhere. There are strict definitions on what can be included in the Gender Pay Gap report, so people such as invigilators who aren't full-time workers, are not included.</p>	
25.10	<p><u>Risk Register</u> Governors reviewed the changes to the Corporate Risk Register, focusing on financial and strategic risks.</p> <p>Risk 7 – GDPR sees an increase in the likelihood score, moving it from 4 to 6 overall. This is based around staff capacity to be able to do everything that is required. All the changes to the risks were noted as reported.</p> <p>Governors queried the discussions taking place on the LGP Scheme. Discussions are taking place with the West Midlands' college liaison following the move into the public sector. The College has moved from a middle risk to a low risk. A review is required, so this is being negotiated and the College should see a reduction to the its payment of about £50-£70k. The West Midlands colleges have got together to discuss this. These conversations are ongoing. This has also been discussed with the External Auditor on this review with the potential for a desktop review, which the EA have deemed acceptable.</p> <p>Governors noted that a new risk register, heatmap and board assurance framework will be presented at the June audit committee first, using support from the internal audit service.</p>	
25.11	<p><u>Any Other Business</u></p>	
	<p>Energy Contracts – gas only. Governors noted that there will be a move from a flexible offer to a fixed offer with the same company as electricity, obtained through a broker. This will give the college certainty and save some costs in both the short and long-term. It also supports better the sustainability agenda. A benefit of the switch is to have live data on actual usage, so the college can provide energy and therefore economic savings. Governors asked if these savings will apply to the new sites? There is no gas in those buildings. This current contract is up for renewal, which is why the change is happening now.</p>	
25.13	<p><u>Meeting Review</u></p>	
	<p>Governors and staff considered the following questions:</p> <p>1. Did we receive the necessary information in the right format and at the right time to have an appropriate discussion and take any necessary decision? <i>The level of detail was good. It would be helpful to further draw out exception reporting as opposed to a narrative being delivered. There</i></p>	

	<p><i>were some additional slides tabled in the meeting which are not always easy to read – can we circulate them ahead of time if being tabled in future please. Governors gave a good level of challenge, were supportive, and added value with their contributions</i></p> <p>2. Did everyone feel able to contribute in the way they hoped to? <i>Yes, the meeting felt inclusive and was well chaired to allow it to be so.</i></p> <p>3. Is everyone clear on the actions, where applicable, they need to take as a result of this meeting? <i>Yes</i></p> <p>4. Our time was well spent. <i>Yes, the key topics were sufficient addressed.</i></p>	
25.14	<p>Confidential Items</p> <p>See confidential minute</p>	
25.15	<p>Date and Time of Next Meeting</p> <p>Thursday 6 June 2024, 4.00pm</p>	

The meeting ended at 6.05pm