



442 PRELIMINARY PROCEDURAL MATTERS

442.1 Attendance, Apologies for Absence & Chairing

Members Present: Elena Adigamova
Nick Buckland (From Item 443.1.1a)
Nick Day (Chair)
Patience Egbo
Sophia Howard
Tony Medhurst (Principal)
Cecilia Mutuma

In Attendance: Andrew Clare (Deputy Principal Finance & Resources)
Jayne Chaplin (Clerk to the Corporation)
Karen Fleet Director of Human Resources & Corporate Development

With the Committee Chair delayed, it was **RESOLVED** for Nick Day to Chair the meeting.

442.2 Declaration of Interests and Part 2 Agenda Items

Declarations of interest were received from Andrew Clare as a Director of CK Assessment & Training Ltd and HRG Ltd and Tony Medhurst as a Director of CK Assessment & Training Ltd.

It was **RESOLVED** for Items forming Part 2 of the Agenda to be taken as confidential items.

442.3 Minutes of the Resources Committee, 24 June 2025 & Matters Arising

442.3a Minutes

The Minutes of the Resources Committee Meeting held on 10 October 2025 were agreed as a correct record and the application of the Chair's signature was authorised.

442.3b Matters Arising

After observing those matters concluded or scheduled for update at a later date (Minutes 482.1 and 425.2.1), members were advised that:

- i. The position with the Land Registration (Minute 369.3) was unchanged despite requesting an update from the Land Registry
- ii. Options for diversifying the College range of investments, the risks and practicalities were being explored with a report to be provided at the next meeting (Minute 440.1.1aii)

Recognising all other matters to be the subject of discussion elsewhere on the agenda, it was acknowledged that there were no further matters on which to report.

443 GROUP PERFORMANCE: THE COLLEGE

Reports were presented in respect of:

443.1 Financial Performance

443.1.1 2024/25 Financial Year-end

Nick Buckland joined the meeting

a. Consolidated Report & Financial Statements

Accompanied by the Post Audit Report, the Letter of Audit Representations and the Hertfordshire Pension Fund Valuation (31/03/25), the audited Consolidated Report & Financial Statements for the year-ended 31 July 2025 were presented.

Excluding movements on the defined benefit pension liability, and other non-recurring items, the audited "operational" surplus for the year was confirmed to be £1,870,000 (24 – 1,506,000), and following review by the Audit Committee, members were advised of:

- i Confirmation of unqualified audit opinions for the Financial Statements and the Regularity Assurance and no exceptions noted for the Certification of Teachers' Pension Scheme
- ii Confirmation that the one advisory point raised in 2023/24 to obtain Cyber Essentials certification had been fulfilled and no areas had been identified for 2024/25
- iii The key audit risks and outcomes in the Post Audit Report, which confirmed:

- No indication of material misstatement in the recognition of income and in respect of audit adjustments and unadjusted misstatements, only clearly trivial misstatements remained unadjusted
- Accounting policies, estimates, and disclosures were unchanged subject to noting the restatement of the College only reserves as at 1 August 2023 to reflect impairment of goodwill in relation to CK Assessment and Training Ltd

Responding to questioning it was explained that whilst always reflected correctly in Group consolidated figures, adjustment now was needed for this to also be reflected in the College only reserves. No impact on the Group or consolidated position was confirmed, explaining it to be a technical adjustment, disclosed as a restatement to College reserves in the Financial Statements including the accounting policies

- No indication of income materially misstated due to invalid ILR data and no evidence of management override of controls or concerns regarding related party transactions
- Accounting estimates appeared reasonable and Capital Works appropriately treated
- Consolidation was considered appropriate and accurate and testing had been undertaken to ensure breaches of Bank loan covenant had not occurred
- Satisfaction in the Regularity conclusion reached

- iv The representations in the Letter of Audit Representations, reported to be standard in nature and confirmed auditor understanding that:

- Members exercised effective oversight of management's processes for identifying and responding to the risks of fraud in the College and a system of internal controls was in place to mitigate these fraud risks
- Members were not aware of any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets
- There had not been any out of the ordinary transactions and subject to receipt of receipt of the final DfE funding reconciliation for 24/25, the Financial Statements should be prepared on a going concern basis on the grounds that, based on the assessment of the feasibility of future plans, current and future sources of funding or support would be adequate for the College's needs

The Committee then reviewed and discussed:

- v The assessment by the Audit Committee of the adequacy of the current and future sources of funding or support for the College needs over the coming twelve months from the date of approval of the Financial Statements, noting its conclusions.

Considering further the matters highlighted for attention about going concern it was confirmed that there were no such matters, accepting no further disclosures were required in the Financial Statements but as a future reminder, requesting a brief summary of the key risks in this regard for information purposes

- vi The employer results for the triennial Hertfordshire Pension Fund Valuation, observing the positive movement and surplus in funds, the proposed minimum contribution rates for the three-year period from 1 April 2026 to 31 March 2029 and the estimated increase in liabilities for each employer. Approval of the overall fund assumptions then was considered, reflecting on the triennial nature of the valuation, potential future changes and the impact and of implications for the fund value in general and the College in particular as one of many sector contributors to the Fund. After requesting stress testing of the key risks that potentially could impact on its valuation, it was agreed that Board approval of the assumptions would be recommended

After recognising and commending such a positive position, it was **RESOLVED** to **RECOMMEND** for the Board to:

- vii **APPROVE** the Hertfordshire Pension Fund Valuation Assumptions
- viii **APPROVE** the Consolidated Report & Financial Statements for the year-ended 31 July 2025 and to **AUTHORISE** signature by the Chair of the Corporation and the Principal & Chief Executive; and
- ix **CONFIRM** the representations contained in the Letter of Audit Representations and to **AUTHORISE** signature by the Chair of the Corporation and the Principal & Chief Executive

443.1.2 2025/26 Financial Year

Providing an overview of year to date activity, reports were reviewed comprising:

a. Financial Report – October 2025

In the context of the Financial Plan agreed at the Board in July 2025 setting a target operating surplus for the College of £423K, the position to October 25 was confirmed to be £212K ahead of budgeted expectation.

The key variances were summarised, particularly highlighting:

- i The positive impact of additional 16-19 core income, following confirmation of increased funding rates with further funding for High Needs Learners to be received as part of the 16-18 revised allocation, further income expected with student numbers ahead of expectation and from the DfE, support for NI contributions for the period April 25 – March 26
- ii In the context of the overall positive position, draft proposals for investments in staff via one-off payments to staff in July and December 26, subject to a positive outturn at the financial year-end, and in future proofing projects, including the development of AI, Cyber-security and the College estate and infrastructure

Questioning and discussion included:

- iii Timescales for notification of any in-year funding acknowledging with no formal confirmation anticipated before March 26, the potential limitations this placed on any action that could be taken before year-end then, from experience in planning for 25/26, noting the expectation of late notification of allocation and rates for 26/27
- iv In the context of the positive results for 24/25 and the growth in numbers over the previous three-year period, any potential factors likely to impact on the Financial Plan for 25/26, including capacity to accommodate any further growth. Highlighting how and where investment in resources and infrastructure had been made and further options being considered, particularly in service support areas, members noted how the position was believed now to have plateaued. Highlighting how based on analysis of data showing slight changes in recruitment patterns, any further future growth was expected to be in particular areas members explored further how and where the College would respond strategically, noting plans for such discussions at the Board's Annual Conference in January 26
- v The positive financial position and preparations for the Financial Plan for 26/27, exploring the feasibility of the early repayment of the remaining College loan, noting how such a decision would be based on consideration of value for money informed by any early repayment penalties that may be incurred, explaining such costs to have been prohibitive at the time the College's first loan was repaid

After then providing clarification to some further points of details, the year-to-date position was noted.

b Sub-contracting Update

After confirming progress with the College Apprenticeship, AEB, Programmes of Study sub-contracted provision with all reported to be on profile with no contract variations proposed, the position was considered in more detail, particularly:

- i. Following the increase in the rate of funding reported at the last meeting, noting confirmation of an amended contract value for CK Assessment & Training Ltd of £643,304 for Programmes of Study, an increase of £58,616
- ii. Questioning and acknowledging the rationale for the request for a procurement exercise to be undertaken January/February 26 for non-devolved adult skills funding

After discussion the current position was noted and it was **RESOLVED** to **RECOMMEND** Board **APPROVAL** of:

- iii. The request for a procurement exercise to be undertaken January/February 26 for non-devolved adult skills funding for programmes of a maximum 100 learners and at value of £100k from College allocation

c. College Financial Regulations

The updated College Financial Regulations were presented.

Setting out and confirming the College systems for financial management and control and to ensure continued compliance with the DfE Accountability Agreement and associated Financial Handbook and Guidance, the main amendments were summarised. Acknowledging substantive information regarding processes to remain unaffected, the main amendments were noted to concern explanatory text, document titles and financial thresholds and approval requirements aligned to updated regulatory requirements.

Then, in the context of earlier discussions, the current financial position and the threshold requirement for investments in the Regulations, a short-term waiver was requested to maintain compliance whilst options were being explored for alternative arrangements.

After discussion and responding to points, providing further clarification, it was **RESOLVED** to:

- i **RECOMMEND** Board **APPROVAL** of the revised Financial Regulations
- ii **APPROVE** the short-term waiver variation for investments pending presentation of options for alternative arrangements for consideration at the next meeting

443.1.3 Business, Statutory & Compliance

a. 2025/26 Reports: HR & Corporate Development – Autumn Term Report

The second report for the autumn term, developments and activity were summarised. Review and discussion included :

- i Key Performance Indicators, particularly:
 - The increase in time lost due to sickness which whilst remaining better than the previous year, highlighted the need for monitoring short-term absence patterns to ensure timely intervention
 - The rise in absence days but acknowledging it to be early in the academic year and that the upward trend would be closely observed
- ii The latest changes to the Employment Rights Bill, particularly observing the replacement of the day-one unfair dismissal rights with a six-month qualifying period and the day-one entitlement to statutory sick pay, reflecting on potential implications. Exploring College arrangements, it was confirmed how the implications of the Bill were being considered to ensure arrangements remain appropriate in anticipation of implementation
- iii The analysis of the recent pulse survey focused on new employees onboarding experiences, noting feedback generally to be positive, with most ratings reflecting high levels of satisfaction with action planned where areas of inconsistency had been highlighted. Particularly discussing the response rate, the challenges were recognised in improving the return rate, reflecting further on and sharing experiences regarding the ways in which it could be improved
- iv The evaluation of retention initiatives implemented across 2023/24 and 2024/25, particularly noting where overall, the limited impact of some financial incentives on long-term retention in contrast with some more targeted approaches
- v The overview of workforce equality and diversity data for 2024/25, noting the profile showed a broadly stable workforce with gradual shifts across several characteristics, aligning closely with trends across the sector

Following review of developments, the update was noted.

441 OTHER BUSINESS & NEXT MEETING

441.1 Any Other Business

None advised.

441.2 Dates of Next Meetings

Wednesday 4 February 2026, 5.30pm (only if required)

Wednesday 18 March 2026, 5.30pm

Wednesday 24 June 2026, 5.30pm

*All on-line via Teams unless
advised otherwise*