



ST BRENDAN'S CATHOLIC SIXTH FORM COLLEGE

Governors' Finance Committee

MINUTES OF MEETING

Tuesday 29 April 2025

Office Team Virtual Meeting (16:00–17:10 hrs)

GOVERNORS/MEMBERS PRESENT: Iain Turri [Chair], Svetlana Bajic-Raymond, Gareth Beynon, Marian Curran [Principal], Kevin Hunt [5]

APOLOGY: Becky Edwards (FE Commissioning Team) [1] (was able to join briefly)

ATTENDING: Shane Blackshaw [Executive Finance Director], Leanne Sowersby [Governance Professional], Becky Edwards (FE Commissioning Team)

Absent Without Apology: None [0]

CIRCULATION: All Governors, College website

QUORUM REQUIRED: 3/6 (Voting Committee members)

Circulation: All Governors, Clerk to Governors, Principalship, & [College Website after signature].

Committee Briefing – none this meeting

ITEM	ISSUES RAISED IN DISCUSSION	ACTION
1. Welcome	<p>1.1 Welcome: JC welcomed everyone and opened the meeting with Prayer. Apologies were accepted.</p>	
2. Declarations of Interest	<p>2.1 Declarations of Interest: Governors confirmed there had been no change.</p>	
3. Minutes Previous Meeting	<p>3.1 Minutes – 2 April 2025: The Minutes were agreed as a true and accurate record</p>	
4. Actions Review	<p>4.1 Actions Review: See Actions Report for updates 4.2 Matters Arising: None</p>	
5. College Financial Matters	<p>5.1 Management Accounts (March 2025): The forecast outturn is £266k over the budget at £526k. EBIDTA is £140k above budget at 31 March. The forecast for the year is a surplus of £1025k, which is £147k better than budgeted. SBk talked through the variances, overspends and underspends. The year end cash balance will increase to £836k, which is 27 cash days. There will be no issues in meeting the loan covenant, and the financial health rating is forecast to be, ‘good’.</p> <p>Q – Is the shortfall on SEND that we are getting less than expected, of the LA have not paid? There is some of both. There are some delays in receiving funding, but there is also an expected £20k shortfall against the budget. This is partially due to having to set a budget prior to knowing the amount we would receive. SBk noted that relationships with the LAs have become more difficult lately.</p> <p>It was also noted that access to high needs and top-up funding has become more difficult, as LAs are setting stricter criteria around this.</p> <p>Q – Pg 19, what are the two red areas? This taking the difference between the forecast and the original budget. The comment is saying that, because the final number is greater than predicted, this will result in lagged funding in 25-26.</p> <p>Q – Is this being included in the budget? The figures are based on the funding statement we have received. Although the KPIs include an aim to grow by 130 students, we do not include in-year funding in the budget.</p> <p><i>BE joined the meeting</i></p>	

Q (BE) – What comfort do the board have that the same pattern as last year will not repeat? Will there be extra costs? SBk will provide a detailed response and circulate this to the meeting. There is the in-year funding that was not included last year. The exams funding has also changed this year.

It is worth considering whether exams costs being accrued for, or being paid as invoices arrive.

BE left the meeting due to poor connection

SBk talked through BE's queries:

Q - Why are pay costs still forecast to be £259k ahead of budget for the year when they are £71k behind budget for the year to date? Are there additional costs to come not yet included? There are several elements that account for this which I can readily identify:

- Agency costs to date are coincidentally on budget but forecast to be overspent by £84k by year-end
- The marginal cost of the 5.5% Apr 25 pay award, compared to the 2.0% budgetary provision, for the period Apr 25 – Jul 25 is c.£95k
- The increased cost of the Apr 25 E'ers NI is c.£30k
- Invigilator costs per month (Apr 265 – Jul 25) are double the Aug 24 – Mar 24 period c.£15k
- These account for £224k of the difference

Q - In the forecast balance sheet, why are trade payables forecast to be so much lower than last year? In 23-24 we were holding a number of invoices to assist with our cashflow and/or there were LSIF project invoices outstanding that will not recur in 24-25:

- LSIF £110k
- 3G £4k
- Buses £46k
- Audit £5k
- AoC/SFCA £26k
- These account for £190k
- As previously discussed the Trade Cr's figure in the Management A/c's is somewhat a 'balancing' figure on the Balance Sheet tab.

Q - Is there any further risk on the bus subsidy and should this be on the list of financial risks? In theory "yes" but the estimated subsidy is based upon the last set of figures provided by the transport provider in January. SBk meeting with them 28 Apr and will seek an update so was waiting for a revised more up-to-date estimate before amending the forecast.

Q - Contribution analysis - timescale to make this meaningful? Although it's good that this is set up, I don't think there's much point in continuing to include it as it currently stands. SBk met with EWi in the Easter holidays to discuss moving this forward and we got so far but not enough to be able to include anything in the March A/c's. She has some further work to do on this (hopefully in time for the Apr A/c's but, if not, agreed the Annex should be removed).

Q - According to the 2023/24 finance record, Sector EBITDA for 2023/24 was £340k. Why is the report showing £533k for prior year EBITDA? The difference relates to the Movement in Holiday Pay accrual which is not shown on the I&E Summary in the Management A/c's i.e. £533k less £192k = £340k.

Q - The report shows a prior year operating surplus of £527k for the year to March 2024. This is actually higher than this year's reported surplus for the year to March 2025. This then became an operating surplus of just £47k at year end however. Why was this? What comfort can the Board take that a similar decline will not happen this year? Are there any additional costs, eg examination costs or pay claims, which may impact in the last few months of the year that are not in the current forecast? Are there year end cost control worries (ie do costs "come out of the woodwork" at year end?) There are two elements that account for the £189k difference to the end of March: trips income is £100k > to Mar 24 compared to Mar 25 because we have pared back our overseas' trips; transport receipts to Mar 24 were £89k for our College Coaches which are no longer running in 24-25. In terms of the change by year-end SBk will need to look into this further.

Q - given the improvement in forecast cash out-turn, is there scope to bring the disaster recovery investment forward? From a cashflow perspective "yes" but it has been deferred to 25-26 (originally in 24-25) because of procurement timelines and implementation capacity

5.2 Budget Planning 2025-2026: SBk noted the changes since the last meeting. One comes from refinement of individual budget lines. There have also been discussions around staffing proposals, capital bids etc, detailed in Annexe C. Noted that the leasing costs of 7.5% is an estimate.

There is a process of trying to invest where we need to, to catch up with areas where this is needed, as well as trying to involve more budget holders in the process. Balancing this with financial health and risk.

There is still further work before the final budget is produced.

SBk will work with the Premises and IT manager to discuss the practicalities of delivering the plans in Annexe C. There needs to be sufficient lead time and internal capacity to manage these, and some may need to be deferred to future years. This is a maximum. SBk will be able to advise by June how much can be delivered in which year.

There are notional KPIs and some of the budget areas fall short of these; the committee need to consider how comfortable they are with these.

A draft CFFR return will also be completed and shared with the committee, in the ESFA format.

The key assumption for 2025-2026 is the pay award from September, which is for 3%. The sensitivity analysis models what deviation from this might look like.

The version one of the, 'wish list' includes all items asked for, and version two, which is what is being recommended by Principalship.

Cash days go from 27 days in version one, to 32 days in version two. The financial health rating also moves up, due to the solvency rating moving in version two. There is a need to balance the aim to increase cash balances with the risk in delaying the CapEx works that are needed.

The sensitivity analysis in Annexe A shows an expected maximum cost variation to what has been included in the budget, as well as a minimum. This shows some quite large differences in terms of what it might mean for the cash. At the upper end, cash could go up to £1.2m, and at the lower down to £600k (18 days), although these are quite extreme movements from the forecasts, which are the more likely midpoint. For the lower end to become reality would be an issue such as another 5% pay award.

Q – The pay review builds in 3%, are we assuming any additional funding? The funding statement that has been issued has built in an increase in the funding rate to cover increases like pay awards. We might get some more in-year funding, but this is not included in the budget.

The pay review body is recommending 4%, while the government recommendation is 2.8%. 4% is likely to be unaffordable for most.

Q – Is Annexe A for 2025-26? Yes, although many of the assumptions will carry over.

There are a number of assumptions in the Capex plans around which ones would qualify for CIF funding. We have commissioned a property consultant to create an asset management plan and estate strategy to create a plan. When we have a shortlist of those projects, they will work on a no-win-no-fee basis to support the bidding process, as well as project manage any successful bids.

2026-2027 – this includes a high-level summary based on what the budget might look like, based on various student numbers. The operating performance is not as good, in Percentage terms as 2025-26. This is partly due to the assumption around student numbers. The cash projections are still positive, projecting 34 days in hand. The KPIs suggest an overall financial rating on outstanding.

The second page of annex A includes some scenario planning for funding for 26-27. Government funding is likely to be static, any increase is likely to be minimal and will be unknown until after the spending review.

Q – If we do under-recruit, this will affect 2026-27 and this budget will then be modified? Yes. The risk is in making decisions based on 25-26 in isolation without looking forward to future years. We may be able to model longer term budgets after the spending review, as well as when we have a clearer idea of the Capex requirements.

Q – What is the current maximum capacity of the college? Within our timetable, and using the premises to the maximum, this is around 2500.

Recommendations – to note the assumption of the 3% Sep pay award, to approve the draft figures for 2025-26, particularly the proposed investment on staffing budget holder bids and CapEx expenditure.

	<p>Noted that most of the CapEx projects will need to be carried out in the summer, which gives enough lead time to cancel if there are any items that require the spending to be scaled back.</p> <p>Are governors comfortable that some for the KPIs in the draft budget fall short of the aspirational targets?</p> <p>Are there any changes that governors would like changed?</p> <p>Governors comfortable that it takes two years to reach the KPIs, and no changes were requested.</p> <p>Q – Why is the solvency lower for 2025-26? To improve this, we need to increase cash, or reduce liabilities. Taking out leases will add to liabilities, but not taking out leases will reduce the cash as equipment must be bought. There is a need to balance these.</p> <p>Q – Did BE comment on the budget? No</p> <p>A final draft will be presented in the early June meeting.</p> <p>Any further comments from BE will be copied to the committee.</p> <p>Q – How is the need for agency staff managed? The budget includes agency cover for absence. This does not always work out; some subjects are more difficult to recruit to, so cost more to fill through an agency. The key is to lower absence as much as possible.</p>	
6. Policy Review	<p>6.1 Treasury Management Policy: This was shared at the previous meeting and is unchanged from then. IT noted that this is very thorough.</p> <p>Q – Does the Anti Money Laundering policy exist yet? Can it be referred to if not? Discussion around this. Reference to this can remain in the policy, provided the policy remains on the list to be completed. AML Policy to come to a future meeting.</p> <p>This should be flagged to the full board, as part of the discussion around the budget.</p> <p>Treasury Management Policy approved, proposed IT, seconded GB</p>	SBk
7. Risk Management	<p>7.1 Review of Board of Governors' Risk Register Items – Risk Dashboard: SBk talked through the key changes; there is now an indicator of the proportion of actions within each of the risks that have been completed, as well as by the risk owner. Each committee will see the same dashboard after each review. Governors were happy with the proposed format.</p> <p>7.2 Safeguarding/PREVENT – Committee Duty Review: Financing from the LA and the CIF bids and costs around security items for the college.</p>	
8. Report Items to Board of Governors	<p>8.1 Report items to Board of Governors: To be determined after the meeting on 4 June. Treasury Management Policy. Governors noted their thanks to SBk and the team for their work on the budgeting and financial management.</p> <p>8.2 Committee Briefing Next Meeting: The impact of the spending review when it is available could be a briefing topic.</p>	

9. Other Business	9.1 Other Business: None	
10. Next Meeting	Wednesday 4 June 2025 at 16:00	
Minutes Agreed	<p>Minutes of Meeting agreed as true and accurate record Wednesday, 4 June 2025</p> <p>Signed: _____ Committee Chair</p>	