

Minutes of a Meeting of the CORPORATION held on Wednesday 9th July 2025, 2.00-5.00pm at the College Business Centre

34/25 APOLOGIES

Apologies were received from Ms Raquel Morisini and Ms Fidelma Washington.

35/25 WELCOME AND DECLARATIONS OF INTEREST

The Chair welcomed Members to the meeting. On behalf of the Corporation, the Chair expressed thanks to the Student Governors for their service, contribution and commitment during their tenure.

The Director of Governance declared an interest in Part C agenda items related to senior postholders.

36/25 APPROVAL OF THE NON-CONFIDENTIAL AND CONFIDENTIAL MINUTES OF THE CORPORATION MEETING HELD 21 MAY 2025

The non-confidential and confidential minutes of the meeting held 21 May 2025 were approved as a true record.

37/25 MATTERS ARISING FROM THE MINUTES

The Director of Governance reported on Matters Arising.

Following a request by a Student Governor to move the final Corporation meeting of the academic year earlier, the Director of Governance had liaised with the senior leadership team to discuss the proposal. It was confirmed that it was not possible to schedule the meeting any earlier as an earlier meeting would not allow sufficient time for some important items of business to be completed.

Following an article in *FE Week* magazine and response to a suggestion from the Teaching Staff Governor a holding message had been circulated to staff regarding staff pay awards.

The Corporation NOTED the verbal report for Information and Assurance.

38/25 CORPORATION AND COMMITTEE BUSINESS SCHEDULE AND SCHEME OF DELEGATION 2025/26

The Director of Governance reported on the Corporation and Committee Business Schedule and Scheme of Delegation for 2025/26. She had consulted with the Committee Chairs, senior leadership team (SLT)

leads, Principal and Chair to review the Business Schedules and Scheme of Delegation for 2025/26. Feedback from each Committee's review of its own effectiveness had also been incorporated. She highlighted that it was important to note that business cycles were 'living documents' and would be kept under review in-line with matters arising, and the changing Further Education (FE) and governance landscape.

The Director of Governance and SLT were thanked for their work which enabled Members to feel prepared for the coming academic year.

The Corporation APPROVED the Corporation and Committee Business Schedule and Scheme of Delegation 2025/26.

Mrs Jessica Garbett and Mrs Sandie Paice joined the meeting at this point.

39/25 CALENDAR OF CORPORATION MEETINGS 2025/26

The Director of Governance reported on the Calendar of Corporation meetings for 2025/26. This had been reviewed and approved by Corporation at its meeting in December 2024. However, following the review of Committee effectiveness for the Curriculum & Quality Committee at its meeting in April 2025 it was agreed that this Committee should now meet four times per year (previously three) and in consultation with the Committee Chair and SLT leads an additional meeting has now been scheduled for this Committee.

A Member commented that it would be helpful to have more information on Staff Development Days. The Principal responded that events could be adjusted and shaped if Governors wished to attend. The Director of Governance was commended for arranging the calendar early.

The Corporation APPROVED the revised Calendar of Corporation Meetings 2025/26.

40/25 CHAIR'S BUSINESS/ RATIFICATION OF CHAIR'S ACTION/ GOVERNOR APPROVALS

The Chair reported on the work underway for the recruitment of the next Principal and CEO following the resignation of Mrs Ros Parker. She paid tribute to Mrs Parker, adding that there would be opportunity for appropriate gratitude and farewell in due course. Holds had been placed in Members' diaries for the expected recruitment dates, which were likely to be held in October 2025. Whilst the Panel would comprise a limited number of Members, it was hoped that all Members would be able to participate in the process.

The Chair also reported on her signing of decline letters. These were letters sent to students where it was not considered that the College could meet their needs. She commended the compassion shown and praised the well-rounded decision-making process and response.

The Chair reported that she had attended Media and Performing Arts end of year shows and greatly enjoyed these events.

The Chair also reported that she had signed a back to back letter for the FE Transformation Fund Capital Project which provided assurance that the College was not responsible for any finance.

The Director of Governance reported on Governor approval given electronically since the last time the Corporation had met in May 2025 and at the recommendation of the Governance, Search & Remuneration (GSR) Committee in June 2025.

The Corporation APPROVED:

- That a Task & Finish Group is established for Principal recruitment comprising the GSR Committee (currently Martyn Pearl, Ken Dueck, Sandie Paice, Stephen Brooks, and Sara Weech;
- That the Interview Panel comprise the Task & Finish Group plus the Vice Chair of Corporation (Angela Buckley) and the Chair of the Finance & Resources Committee (Judith Abbott);
- That the Association of Colleges (AoC) is appointed as recruitment advisors; and
- That the College appoints AoC to run a Full Campaign (Option 4).

41/25 STUDENT ENGAGEMENT REPORT

The Two members of the Student Executive joined the meeting to give a presentation on the work of the Student Executive in its first year.

A Member commended the progress made and asked how did the Student Executive know that it had done a good job of representing students. The Student Executive member responded that the Executive had had feedback from across different courses and there were also weekly meetings. The Member asked if the students providing feedback and attending meetings were representative of the whole student population. The Student Executive member responded that the Executive was considering solutions to reach the whole student body. The Member asked if there were digital methods of feedback and the Student Executive member responded that there were digital surveys and another Student Executive member added that an email address was provided to enable students to contact the Student Executive and considered that a broad perspective was achieved from students across different courses.

A Member enquired whether the Student Executive had considered organising a club or competitions for students to enable development of skills. The Student Executive member responded that there were plans for community service events and to work with local companies. The Member suggested planning an initiative that could involve students for the whole academic year in order to build skills. He added that he was excited by the work the Student Executive was undertaking and would be happy to offer any assistance from the university where he was based if that would be of help.

Another Member commended the Student Executive's work as impressive. He spoke from personal experience of his own son benefiting from being involved with his student body. The Member asked how the Student Executive could spread knowledge and understanding. The Student Executive member responded that the Executive had benefited from working with Unloc and would wish to continue to work with them. The workshops provided by Unloc had enabled skill development, he concluded.

The Teaching Staff Governor noted the work that had been undertaken on the College Charter. He asked the Student Executive members where they saw the balance between accepting the document and continually updating it. A Student Executive member responded that it was necessary to have an agreed Charter in place but that it should also be a living document. The Assistant Principal (Education, Progress and Student Support) added that the Student Executive had agreed the core values which would be transposed onto wall wraps.

The Chair asked the Student Executive members what their plans were for recruiting new members. A Student Executive member responded that there would be an invitation in the Principal's speech to new students.

The Chair commented that it was important for the Student Executive to be involved in the process to recruit the new Principal and to consider how the Student Executive might link with the Corporation.

Dr Judith Abbott joined the meeting at this point.

A Member enquired how the Student Executive caters for students with disabilities or those who may be less likely to be involved. The Student Executive members confirmed that the Executive worked with the Learning Support Assistants (LSAs) and the Student Hub. The Assistant Principal added that recruitment to the Student Executive was an open process and that Unloc provided *Changemaker* sessions to develop skills in leadership and enable students to make a positive contribution.

The Corporation CONSIDERED the report.

42/25 STUDENT CHARTER

The Assistant Principal (Education, Progress and Student Support) presented the Student Charter which had been developed with the Student Executive.

The Chair commended the wall wrap of core values that had been produced. The Principal commended the contribution of the Executive which had been very active. The Assistant Principal paid tribute to the contribution of Unloc and staff members of the College's Student Support Team who had attended all meetings.

A Member enquired as to the sustainability of the Executive. The Assistant Principal responded that Unloc was engaged for two years and those leading in the Student Support Team were very driven. She acknowledged that student enthusiasm could wane and that it was important to maintain momentum. She also paid tribute to the work of the new marketing team who were engaged on social media and producing content to garner interest from students even before they start at College. The Teaching Staff Governor suggested that an annual report of progress promoting all that the Executive accomplished would maintain momentum. Another member suggested inclusion in induction week.

A Member enquired how the College Charter fitted with the College's wider Mission Statement. The Assistant Principal explained that the College Charter was a charter for students. It was not a statutory requirement but guidance for students when joining the College as students can expect from the College and what the College can expect from students. She added that it aligned with the College's values.

The Corporation APPROVED the College Charter.

43/25 STUDENT GOVERNOR REPORT

The Student Governors presented their verbal report. A Student Governor said that it had been a really useful year and he had learnt a lot. He felt listened to at Corporation meetings and commented that Student Governor feedback was not pushed aside. The Chair thanked the Student Governor for his contribution and wished him well for the future.

The Support Staff Governor reported back from the Unloc student conference. She praised Unloc as an inspiring group of people with whom it had been very positive to work. She added that the Student Governor who had attended the conference with her was not able to be present at this meeting of Corporation but had been very professional and made connections at the conference. She had come away with lots of ideas which she had shared with Director of Governance. She commended the conference as a good opportunity for the Student Governors and would be keen for future Student Governors to continue to attend.

The Corporation CONSIDERED the report.

44/25 BALANCED SCORECARD

The Principal presented the Balanced Scorecard. It was being refined for the next academic year but would ensure necessary focus on those issues and risks for monitoring with further detail presented to the Curriculum & Quality Committee.

The Teaching Staff Governor commented on the section of the spreadsheet related to the workforce and suggested that SD1 data could be incorporated to provide feedback on staff training. He also suggested introducing staff, referring to the employer section of the spreadsheet and pulse surveys. The Principal confirmed that this was planned.

A Member requested inclusion of attendance by English and maths for Curriculum and Quality Committee. The Principal agreed.

The Chair asked how Corporation could spot what was becoming problematic. The Principal responded that it was necessary for Corporation to receive critical indicators.

The Chair enquired whether there was clarity as to what had led to lower attendance this academic year. The Principal responded that a lot of changes had been made in the last academic year. The Assistant Principal (Curriculum and Skills) reported on changes to the register including removing marks that were a legacy from the COVID-19 pandemic. It was suspected that this had masked issues in recent years. She also added that there had been some poor timetabling at the start of the academic year. This had been consolidated and different arrangements were in place for the new academic year. The Principal added that there was no complacency regarding attendance highlighting the work that has been undertaken around quality.

The Chair enquired whether there was any impact from ESOL (English for Speakers of Other Languages) finances and teaching hours. The Assistant Principal responded that there was not.

A Member enquired about staff appraisals and what expectation there was for mechanism linked to additional training. The Principal responded that an audit of appraisals was on the agenda and that the College was looking at how CPD (Continuing Professional Development), Staff Development Day and appraisals could be better aligned with development needs feeding through from appraisals and one-to-ones to quality. In response to a query from the Chair, the Principal confirmed that this would be for all staff groups.

A Member commented that lower attendance did not seem to have led to lower achievement. The Principal agreed but added that it was necessary to monitor. The Member suggested that the Student Executive might explore why attendance was lower.

The Corporation NOTED the report and was ASSURED of progress made to date.

45/25 PRINCIPAL'S REPORT – INCLUDING SUBCONTRACTING PROVISION

The Principal presented her report. She provided an update on the Capital Transformation Fund project including the current schedule for commencement of works. There had also been liaison with the new marketing lead regarding signage during the works.

She also provided an update on devolution preparation and informed Members that she would be leading a session the following day with employers which was to be attended by the new Chief Executive of the Chamber of Commerce. She highlighted the importance of protecting Adult Skills Funding (ASF). There was some discussion by Corporation on this issue. A Member commented that in his experience there had been a disconnect between various groups on the Island regarding priorities for adult training. The Principal argued that there was a need for a central strategy and approach for adult skills nationally and highlighted the risk of not securing funding for the Island. This was driving her conversations with

employers. A Member noted the importance of identifying what specifically was needed by local employers, and the Principal responded that her conversations were focused on sector needs. She also drew attention to ASF criteria. A Member expressed her concern regarding transferable skills and the impact on long-term life chances. The Principal agreed and responded that it was necessary to find a balance by speaking to a range of providers, community and school partners. She added that this was a live issue that would be returned to.

The Principal alerted Corporation to issues and risks for the electrical department and in particular regarding staffing. It was not uncommon to struggle with recruitment in this area but national recruitment issues were exacerbated by the Island context. She informed Members that there was an outstanding complaint which had gone to appeal stage following an investigation. This was currently being worked through. Students were completing and achieving in the electrical department and achievement was projected at 78%. A Member commented that it was important to note that there was one complainant and expressed caution in making wider judgments in relation to one complaint. She enquired as to the length of the appeals process and whether there were any expected financial implications. The Principal confirmed that the appeal process would draw to a conclusion in the coming week. There had been an internal investigation and an external investigation was currently underway to focus on process and independently consider whether due process had been followed. The College would then write to the complainant regarding the outcome. The complainant could potentially complain to the Department for Education (DfE), and local media, and there was a reputational risk to the College. The College's responsibility was to ensure that it had been fair and due process followed, and legal advice would be sought where necessary, she concluded.

The Principal reported to Members on Construction Technical Excellence Colleges (CTEC). She noted that the College did not currently meet the achievement rates criteria and did not feel it has the capacity to submit an application but that it had endorsed two bids in the region. This would help to improve quality and share best practice, she concluded. A Member asked who was mostly likely to be successful and the Principal responded that she was not aware of all bidders in the region. She added that the College was not committing itself but was ensuring that it was part of the discussion. Another Member enquired regarding what involvement the College was likely to have and the Principal responded that the College had a part to play in sharing best practice and staffing.

The Principal presented the Subcontracting report. She reported that subcontracting was consistent with previous years and was for specialist provision that the College did not offer itself.

The Corporation NOTED the report and

- was ASSURED on the College's subcontracted provision during 2024/25;
- APPROVED the College's proposed subcontract arrangements for 2025/26.

The Principal reported on pay recommendations for 2025/26 and the use of post-16 grant funding awarded in 2024/25. This had been considered by the Finance & Resources Committee, and the Governance, Search & Remuneration Committee.

The Principal also drew attention to the FE Commissioner's financial benchmarks and reported that with allocation and growth the College's EBITDA was currently at 5.9%. She highlighted to Members that Corporation must consider whether it was content with the College's position in relation to the benchmarks and consider its risk appetite in this respect. A Member commented that the College was so close to 6% but was the wrong side of the benchmark. She was pleased, however, to see that this had

improved. She enquired whether it was necessary to backdate any pay rise to 1 August. Another Member argued that there could be unseen consequences for any delay. The Interim Director of Finance argued that it was important to retain staff members and assured Members that a robust planning process had been undertaken. The Principal argued that the College had a responsibility to ensure it was achieving the fairest position and was responsible with public money.

The Corporation NOTED the report and APPROVED:

- Option 1 a: Payment of a 1% non-consolidated pay award to all staff to be paid in the autumn term. This will allow time for all timesheets/pay claims related to 24/25 to be submitted and processed;
- To retain a differential between the role of generic and SLDD LSAs, it is proposed that SLDD LSAs receive a 5.2% pay award which will uplift their hourly rate from £12.03 to £12.84. This would be implemented from the 1st of August 2025. This would maintain the same differential that was in place prior to the minimum living wage rise;
- To address the wider impact of the SLDD uplift to £12.84 to the other job families, who are captured between the NMW and the uplifted differential so that these rates of pay are also uplifted to £12.84;
- To apply a 3%, pay uplift for the remaining job families on the pay framework and spot salaries and an additional uplift for any job families uplifted to £12.84 to ensure that a minimum threshold of 3% is met for all staff. Consideration will be given to extend this pay award by an additional 1% to reach a minimum threshold of 4% for all staff, backdated to the 1st August 2025 once it becomes clear through projected year end surplus that the college can afford and sustain this additional increase into future years.

The Principal reported on the FE Commissioner-led Structure and Prospects Appraisals (SPA) Overview for Havant and South Downs College (HSDC). The process was about finding the most appropriate merger partner for HSDC and the College had been invited to apply. The Principal did not recommend that the College entered into the SPA process as it was considered that as an Island college the College needed to focus on local priorities and continually improving the quality of teaching and learning. The Chair argued that there was a need to stand by the College's Strategy and stated that the College was not looking for a merger. A Member agreed and reported that this had been discussed previously some time ago and the same conclusion was made. She asked if there was any defensive reason to be part of the process. The Principal responded that there was always a threat especially with the devolution agenda but added that others were bidding.

The Corporation NOTED the report and AGREED with the recommendation that the College does not enter into the SPA process and focuses on its own financial performance and quality of education.

46/25 3As REPORT AUDIT & RISK COMMITTEE

The Chair of the Audit & Risk Committee presented the Committee's 3As (Assure, Alert, Approve/ Action) report. She reported that the main focus of discussion had been on the FE Commissioner's report on Weston College and the Committee had considered this in relation to the College's own audit process. The internal audit plan had been considered in light of this and amended to ensure that it meets the College's needs. She also reported on feedback from internal audit which was very positive. The Committee probed the internal auditors and also questioned staff on their view of the internal audit process.

The Corporation NOTED and was ALERTED to:

- The draft non-confidential minutes of the meeting held 11 June 2025;
- Written advice had been requested regarding Delamite Ltd;
- Internal Audit Reports visit 2 and 3: Examinations given Significant assurance; Work Placements given Significant assurance; and Procurement and Payments given Significant assurance and that a report on Human Resources (Recruitment and Retention) was being finalised; and is ASSURED on the Risk and Assurance Progress Report;
- Risk Register update May 2025 and ASSURED on mitigations in place;
- The FE Commissioner's Report on Weston College and ASSURED on the IOW College's self-assessment against the recommendations;
- GDPR (General Data Protection Regulation) data breaches during the reporting period (one potential breach) and ASSURED by action taken to resolve;
- FOI (Freedom of Information) requests during the reporting period (six) and that there were no SAR (Subject Access Requests) during the period;
- The Public Interest Disclosure/ Whistleblowing Annual Report; and
- The Annual Review of Committee Effectiveness and NOTED the Committee's plans for contributing to the self-assessment review (SAR) against the FE Code of Good Governance.

The Corporation NOTED and was ASSURED on:

- That the non-confidential and confidential minutes of 12 February 2025 were approved as a true record subject to the amendments noted;
- Monitoring of actions and Matters Arising to May 2025;
- Monitoring of the Audit Issues Log to June 2025; and
- The Aramark Survey.

The Corporation NOTED the Committee's APPROVAL of the External Audit Plan for the year ended 31 July 2025 and the reduced fee and was ALERTED to *FE: Emerging Issues, Spring 2025*.

The Corporation NOTED the Committee's APPROVAL of the Internal Audit Needs Assessment and Annual Plan 2025/26 subject to the amendments suggested and was ALERTED to the *Internal Audit Charter amended version*.

The Corporation APPROVED:

- The Annual Report on Policy Renewal and Progress;
- The Whistleblowing (Public Interest Disclosure) Policy and Procedure; and
- The Annual Review of the Committee's Terms of Reference.

47/25 3As REPORT FINANCE AND RESOURCES COMMITTEE

The Chair of the Finance & Resources Committee presented the Committee's 3As report. She noted that as reported separately in this meeting there had been developments regarding budget and pay awards since the Committee met but drew attention to a number of policies and procedures which the Committee were recommending for approval.

The Corporation NOTED the report and was ALERTED to:

- The draft confidential and non-confidential minutes of the meeting held 11 June 2025;
- Monthly Finance Report, Management Accounts and Forecast and ASSURED on the College's financial position to April 2025.

The Corporation NOTED and was ASSURED on:

- That the confidential and non-confidential minutes of 12 February 2025 were approved as a true record;
- Monitoring of actions and Matters Arising to May 2025;
- Progress on Estates including progress against Condition survey and ALERTED to key risks and NOTED plans to resolve the drainage issue;
- Progress on Capital Projects and ALERTED to key risks;
- Costed Curriculum Plan Testing;
- The HR Strategy update and progress made to date;
- The Termly Human Resources Report and progress to date and ALERTED to new or updated legislation including the Employment Rights Bill; right to request predictable work patterns; preventing sexual harassment – third party protections; unfair dismissal – day-one rights; redundancy protection – day-one coverage; trade union legislation; and the UK Supreme Court ruling on the legal definition of the term “woman” under the Equality Act 2010; and
- The Annual Review of Committee Effectiveness and NOTED the Committee’s plans for contributing to the self-assessment review (SAR) against the FE Code of Good Governance.

The Corporation APPROVED:

- The Fees Policy 2025/26;
- The Market Supplement and Relocation Support Policy and Procedure;
- The Employee Standards and Code of Conduct Policy; and
- The Annual Review of the Committee’s Terms of Reference.

48/25 3As REPORT GOVERNANCE, SEARCH AND REMUNERATION COMMITTEE

The Chair of the Governance, Search and Remuneration Committee presented the Committee’s 3As report. He noted that the Corporation had already discussed recommendations regarding Staff Pay and noted the importance of retaining a balance with staff retention. He reported on the work of the Principal Recruitment Task & Finish Group. There had been some discussion at the Committee’s meeting regarding equality, diversity and inclusion (EDI) principles for Governors. The Committee was generally happy that this was working well but it was a complicated issue and the Committee wished to consider the proposed principles further.

The Corporation NOTED the report and was ALERTED to:

- The draft confidential and non-confidential minutes of the meeting held 25 June 2025;
- That a further paper considering EDI Principles for Governors has been requested for a future Committee meeting;
- That a performance review of the Chair is to be implemented in-line with the *Effective Practice Guide on Senior Postholder Appraisal and Chair Performance Review*;
- That the Instrument & Articles of Government are to be amended in-line with the 17 June letter from the Department for Education and brought to Corporation for approval at its meeting in October 2025; and
- The Governor terms of office ending by July 2026.

The Corporation NOTED and was ASSURED on:

- That the non-confidential and confidential minutes of 20 November 2024 were approved as a true record;
- Monitoring of actions and Matters Arising to June 2025;
- Governor Attendance 2024/25;
- The Governor Compliance Register 2024/25 and ALERTED to areas of non-compliance;

- Progress against the 2024/25 Governance Key Performance Indicators (KPI);
- Progress against the External Governance Review recommendations and Governance Action Plan 2024/25;
- The Governor Training Programme 2024/25;
- An assessment, considered by the Audit & Risk Committee, against the FE Commissioner's recommendations following the review of Weston College; and
- The Annual Review of Committee Effectiveness and NOTED the Committee's plans for contributing to the self-assessment review (SAR) against the FE Code of Good Governance.

The Corporation APPROVED:

- Governance KPIs 2025/26;
- That a consultation with Governors on current progress on the External Governance Review recommendations and the setting of 2025/26 objectives should be ACTIONED;
- The establishment of a Task & Finish Group to consider options and functionality for the implementation of a Board Portal;
- The Governor Training Programme 2025/26;
- The Annual Review of the Committee's Terms of Reference;
- The reappointment of Mrs Jessica Garbett for a 4-year term from 1 August 2025 – 31 July 2029;
- The reappointment of Mr Matthew Bateman for a 1-year term from 1 August 2025 – 31 July 2026;
- The revised College Corporation Structure Chart for 2025/26;
- The appointment of Mrs Teresa Gaudion as Designated Lead Governor for IAG;
- The Corporation role descriptions; and
- The Designated Lead Governor role descriptions for Safeguarding and Young Carers; and Inclusion (SEND/ High Needs and EDI) subject to the incorporation of feedback from the Assistant Principal.

49/25 COSTED CURRICULUM PLAN

The Assistant Principal (Curriculum and Skills) presented the Costed Curriculum Plan.

A Member commented that the forecasts had located some significant differences, for example apprenticeships forecasted and allocated, and enquired whether this was positive or negative. The Assistant Principal responded that the forecast was for starts for this academic year and the difference was related to funding from 2023/24. She added that starters can join at any point in the academic year.

The Corporation was ASSURED on Curriculum Planning and NOTED that minor actions to increase contribution were currently underway. The Corporation was ALERTED that adult and apprenticeship provision would be added throughout the year based on stakeholder demand and that all relevant teaching posts required due to forecasted hours and student numbers were being recruited to.

The Corporation NOTED the report and APPROVED the Costed Curriculum Plan.

50/25 BUDGET SUBMISSION TO THE DFE (CFFR)

The Interim Director of Finance presented the Budget for Submission to the DfE 2025-27 (College Financial Forecasting Return). This was required for submission annually to the DfE by 31 July with a supporting commentary which the Interim Director of Finance outlined. He noted that since the Budget

had been produced the June management accounts had gone to the senior leadership team (SLT) and there was now a higher surplus.

The Teaching Staff Governor queried the agency cover costs for the electrical department and commented that they seemed high for a small department. The Interim Director of Finance confirmed that the figure given was correct as costs were high in this area and agency fees and VAT were payable. In response to a query from a Member, the Interim Director of Finance confirmed that the staff pay award had been budgeted for. The Assistant Principal (Curriculum and Skills) highlighted that accommodation and travel was included in the fees for agency staff. The Principal reported that the allocation from the Government had been given very late and whilst intended for 2024/25, had only just been received.

A Member drew attention to the need to create a constructive obligation if paying the non-consolidated pay award in the next academic year to account for in the current academic year and that a communication to staff was required. She suggested that the Interim Director of Finance should check that Governor approval was sufficient for the requirements of the external auditors. It was agreed that the Interim Director of Finance would make enquiries.

The Corporation APPROVED the Budget for Submission to the DfE.

51/25 MONTHLY FINANCE REPORT – MANAGEMENT ACCOUNTS AND LATEST ESTIMATE

The Interim Director of Finance presented the Monthly Finance Report, Management Accounts and Reforecast. The Management Accounts had been reviewed by the Finance & Resources Committee which had requested a review of the Budget. He explained that the Budget for 2025-27 had been updated in the Budget for Submission to the DfE which superseded the Budget in the May Management Accounts. The key points of the May management accounts were as follows:

- 1) The forecast surplus for 2024-25 has increased by £305k from the initial budget to £455k, although £200k is due to the write-off of old provisions for funding clawbacks/repayments.
 - 2) The May forecast has reduced by £75k from the April forecast due to a £75k reduction to apprenticeship funding. This was noted previously as a potential risk and income has not improved.
 - 3) The forecast for 2025-26 represents the resources required to deliver the curriculum plan under the current structure. It has been built up by course and staff member by area and includes a 3% pay award. However, it is slightly short of the FE Commissioners desired EBITDA being over 6% of educational income. However, a further allocation of funding has been announced to be provided in late June 2025 which should address this shortfall.
 - 4) Whilst the College has had a strong increase in its 16-19 year old income for 2025-26 there has been:
 - a. An effective cut to funding through unfunded national minimum wage costs and employers national insurance increases impacting upon non-staffing costs (£100k cost in cleaning and security costs alone). The employers NI change increases costs by £400k with £166k funded.
 - b. Contributions towards increased teachers' pension costs have been reduced by £166k.
 - c. Licence fee costs are high due to the increasing need of cyber security.
 - d. The adult funding contract has been reduced (a 3% national reduction in adult funding), the Multiply contract has come to an end and will not be renewed and there are fewer apprenticeships at the end of 2024-25 than at the start, which will reduce apprenticeship income.
- Overall, because of the growth in 16-19 year old numbers and an increase in some historical uplift factors (that took two years to be paid because of the lagged funding system) the College can budget for a surplus in 2025-26 of £255k (EBITDA £1,136k) which includes a modest contingency against unforeseen

items (£200k) and £100k for quality intervention costs. This is before any additional funding announcement.

5) Cash held at 31 May 2025 was £6,158k with £835k committed to capital projects (including £500k of Invest to Save funds) and £3,039k of debt. Uncommitted cash after the payment of wages early in the following month and timing of income vs expenditure in the current year is approximately £3.5 million.

6) The College has been allocated £745k of maintenance allocation. This will be received in June 2025 and must be spent by 31 March 2028. It is assumed that this is spent over 24 months.

7) All banking covenants are currently forecast to be achieved.

8) Performance against the Financial Strategy KPIs is provided in Appendix 8.

9) The College has received two updates of note. The funding briefing from the AoC summarised in Appendix 11 and new FE Commissioner financial benchmarks summarised in Appendix 12.

In response to a query from the Chair, the Interim Director of Finance confirmed that the surplus budgeted for 2025/26 was now £459k.

The Corporation NOTED and was ASSURED on the Management Accounts to May 2025.

52/25 COLLEGE FINANCIAL BENCHMARKING TOOL

The Interim Director of Finance presented the College Financial Benchmarking Tool. He explained that the DfE released the annual financial return information of all colleges which can be used to benchmark financial performance. This had been augmented in the paper to Governors with 16-19 funding allocations and the recent maintenance allocation. The data had been used to analyse provider performance in the south east. The key points were as follows:

1) In proportion to its 16-19 year old learner cohort the College has:

a. Higher T level learners.

b. Higher Band 4 learners and below.

This is due to its Access to Further Education programme.

2) A similar retention factor for 16-19 year olds (withdrawals) to other colleges in the South East.

3) A high level of deprivation amongst its 16-19 year old cohort (2nd highest in the South East).

4) Low staff costs in comparison to turnover. This is partially due to the College's high level of remote learning (which increases non staff cost in comparison to turnover) and partially due to the need to be efficient to offset other costs.

5) High operational and maintenance costs. This is because of its:

a. High level of space in comparison to its turnover. The College operates with more than the DfE sector norms for space which is confirmed by its low maintenance allocation in comparison to space.

b. Running costs per m2 being similar to the sector average despite the lower utilisation. Energy costs per m2 and cleaning costs per m2 are high given the comparative level of use.

6) High administration costs because of payments for its remote adult learning.

7) High levels of debt in comparison to turnover (3rd highest in the South East).

8) External audit fees are high in comparison to the sector but not high in comparison to the firm chosen (RSM)

The Teaching Staff Governor noting the external audit fees enquired as to the reason the firm was chosen. The Interim Director of Finance responded that there was an external audit tendering process and that the College was dependent on which firms submitted a tender to the College. The Chair commented on the quality of audit provided by the firm and the Principal commented that this was a good investment in ensuring compliance.

The Corporation NOTED the report.

53/25 DELAMITE LIMITED: FUTURE OPTIONS AND RECOMMENDATIONS

The Interim Director of Finance presented the report providing an update with respect to the taxation position of Delamite Limited and advice from RSM UK Audit LLP.

The Chair highlighted the importance of proceeding with unwinding Delamite Limited. She noted that with the current recruitment of a new Principal and Accounting Officer it would be desirable to have completed the process in advance of appointment.

The Teaching Staff Governor enquired whether legal advice had been sought regarding the ownership of the building referred to at 4.7 of the report. The Interim Director of Finance responded that Delamite Limited retained ownership of the building. The Principal confirmed that legal advice had been sought previously. She requested the Interim Director of Finance to check that there was adequate insurance protection in place in alignment with new College Financial Handbook.

The Corporation NOTED the report, advice from RSM UK Audit LLP and potential risks and APPROVED engaging RSM UK Audit LLP to unwind Delamite Limited.

54/25 SELF-ASSESSMENT OF MEETING

Due to time constraints and a significant agenda for Part C of the meeting, the Chair requested any feedback to be provided outside of the meeting.

55/25 DATE OF NEXT MEETING

Wednesday 15th October 2025

56/25 SENIOR POSTHOLDER APPRAISALS AND OBJECTIVES (CONFIDENTIAL)

57/25 SENIOR POSTHOLDER POLICIES (CONFIDENTIAL)

58/25 SPH PAY AWARD BENCHMARKING (CONFIDENTIAL)

**58/25 SUCCESSION PLANNING FOR SENIOR POSTHOLDERS AND GOVERNORS
(CONFIDENTIAL)**

59/25 PRINCIPAL RECRUITMENT (CONFIDENTIAL)