

Minutes of a Meeting of the CORPORATION held on

Wednesday 12 July 2023

at 13.00pm – 16.00pm

91/23 DECLARATIONS OF INTEREST

There were no declarations of interest.

92/23 APPROVAL OF THE NON CONFIDENTIAL MINUTES OF THE MEETING HELD 24 MAY 2023

The non-confidential minutes of the meeting held 24 May 2023 were approved as a true record.

93/23 MATTERS ARISING FROM THE MINUTES OF 24 MAY 2023

The Director of Governance reported on Matters Arising. All actions for the current academic year had been actioned as detailed in the report with the exception of the following: review and cleansing of the employer collaboration spreadsheet would be reported to a future meeting; and a redemption figure in relation to the financial forecast and any breakage of bank covenants was to be provided.

94/23 APPOINTMENT OF GOVERNORS

The Director of Governance and Chair of Search & Governance Committee reported that a panel of Governors interviewed two candidates for the position of Governor and two candidates for the position of Teaching Staff Governor. There were no applications for the role of Support Staff Governor. One candidate was recommended for appointment as Governor, and one candidate was recommended for appointment as Teaching Staff Governor in line with the Instruments and Articles of Government.

The Corporation APPROVED the:

- Appointment of Ken Dueck for a 4 year term from 13 July 2023 to 12 July 2027
- Appointment of Ant Baker as Teaching Staff Governor for a 2 year term from 1 August 2023 to 31 July 2025.

95/23 FINAL CALENDAR OF CORPORATION MEETINGS 2023/24

The Director of Governance reported on the draft calendar for 2023/24 and outlined proposed improvements.

A Member asked where the External Governance Review fitted in the proposed calendar. The Director of Governance responded that the External Governance Review would run in parallel with the proposed calendar with any recommendations to be considered for implementation after the review. The Director of Governance has liaised with the external reviewer in planning which meeting the reviewer would attend or observe and at what meeting the final report would be given. The reviewer would attend or observe one Corporation and two Committee meetings in the autumn term and the final report would be presented in the spring term.

The Corporation APPROVED the draft calendar for Corporation meetings during 2023/24.

96/23 CORPORATION COMPOSITION/COMMITTEE MEMBERSHIP/COMMITTEE CHAIRS AND COMMITTEE TERMS OF REFERENCE

The Director of Governance reported on Corporation composition, committee membership, chairs and terms of reference for 2023/24. She noted the following vacancies as of 1 August 2023: one Governor, one Support Staff Governor, one member on Audit Committee, and a Designated Health and Safety Lead. The Student Governor recruitment process would take place as normal at the start of autumn term. Committee membership, chairing and terms of reference had been considered and reviewed by all Committees. The Director of Governance outlined changes to the terms of reference notably in relation to Office for National Statistics (ONS) reclassification.

A Member noted a correction required where Mrs Sara Weech was listed twice on the College Corporation Structure Chart 2023/24.

The Corporation CONSIDERED the report and APPROVED:

- The Corporation Membership as a total of 18 members;
- The Committee Membership and Chairs for 2023/24;
- The Committee Terms of Reference for the Audit; Capital; Remuneration; and Search & Governance Committees.

97/23 CHAIR'S BUSINESS/RATIFICATION OF CHAIR'S ACTION

The Chair, at his last meeting, recorded his thanks stating that it had been a privilege to Chair Corporation. He thanked the senior management team (SMT) noting the improvement in standards.

The Chair recorded thanks to the Student Governors: Ms Becca Howes, Ms Blythe James, and Ms Ella Young as they complete their 1 year terms. He noted the helpful contributions made. The Chair also thanked Ms Briony Willett completing her 2 year term as Teaching Staff Governor and Mrs Zoe Brookes who was standing down after 1 year as Support Staff Governor.

The Chair congratulated the Assistant Principal, Mr Ben Sheridan on his appointment as Vice Principal of Fareham College and thanked him for his contribution to the Isle of Wight College. The Chair congratulated Ms Ella Young on being awarded NCFE Student of the Year, Prof. Adam Amara on his role in the Euclid satellite launch, and Mrs Stephanie Taylor on being awarded the Cross of St Augustine by the Archbishop of Canterbury.

Mrs Jessica Garbett joined the meeting.

The Chair spoke of his recent involvement as outgoing Chair with the External Governance Review. He asked and had considered the question of whether the Governors add value. He concluded that the Governing Body was performing well contributing consistently to a well-run college. He had provided some thoughts to the Review as to how the Governing Body could improve.

With the agreement of the Chair the agenda was taken out of order.

98/23 HEAD OF DEPARTMENT REPORT: ESOL

Ms Arlene Cooper, Head of Department for English for Speakers of Other Languages (ESOL), presented her report. She reported that since 2020/21 there had been a 508% increase in the number of ESOL students at the College, and in 2022/23 80% of the students are from Ukraine demonstrating the College's response to changing local needs. The College was working with 20 different languages across all students. The Ukrainian students attending were highly qualified tertiary level and needed support with English language skills.

A Member, noting his experience of joining this department on a Learning Walk, commended the College for its fantastic response to the growth in demand and reflected that it had been a pleasure to accompany the department on a Learning Walk, the experience had been inspirational. He asked if the students were all Ukrainian speakers or whether there were any Russian speakers. Ms Cooper responded that there were speakers of both Ukrainian and Russian amongst the Ukrainian students and noted that this did cause some tension. The Member asked if there was an impact from the numerical dominance of the Ukrainian students in the group. Ms Cooper responded that non-Ukrainians were placed in groups as well as the Ukrainian students. Tutors were placed to facilitate conversations for assessments. Another Member noted the need to manage the group through good handling. He cited research indicating that where a cultural group exceeded 33% that group began to dominate.

A Member asked if the College had previous links with Ukrainian students prior to the current conflict in Ukraine. Ms Cooper responded that there were previous links through seasonal workers. The Member noted that the College had done rapid work in recruiting good ESOL teachers. Ms Cooper responded confirming that two Ukrainian teachers had joined the College from Action IOW. The Principal reported that one of these Ukrainian teachers had been awarded Staff Member of the Year.

Ms Cooper reported that there were 53 host families on the Island.

The Corporation CONSIDERED the report.

99/23 SAFEGUARDING TERMLY REPORT

Ms Michelle Campbell, Head of Safeguarding, Prevent & Student Advocacy, presented the Termly Safeguarding Report. She reported on changes to the Safeguarding Board. She noted that there was work to do around firewalls in relation to *Keeping Children Safe in Education* (KCSIE) which was on the agenda for September 2023. KCSIE is currently out for consultation and would be live from 1 September 2023. The Safeguarding Policy will be updated to reflect the changes to KCSIE. Interim approval would be sought from the Designated Safeguarding Lead Governor and the revised Policy would come to Corporation for approval in October 2023. She reported that the Designated Safeguarding Lead Governor meets with her regularly on a half-termly to termly basis to discuss concerns and ideas. The Designated Governor also attended the recent Single Central Register (SCR) audit. Mrs Campbell confirmed that the Section 175 audit is completed annually.

Ms Campbell provided a summary of changes to *Working Together to Safeguard Children*. A Government consultation for the 2023 version was launched in June 2023 with responses required by 6 September 2023. The existing guidance had been published in 2018 with minor changes in 2020. It is thought that the main changes for 2023 are that education will become the fourth partner with strategic responsibility and accountability locally.

Mrs Campbell reported that she had participated in the NNECL Quality Mark for support for the inclusion and success of care experienced students. She reported that she had had her first meeting with the Department for Education (DfE).

She outlined priorities for the year ahead as safeguarding and student participation; and training and support around self-harm and suicide. The College was experiencing an increase in the number of students self-harming including on College premises.

A Member raised a question regards online checks during recruitment as per the KCSIE update in September 2022. The Designated Safeguarding Lead Governor confirmed that this was taking place and had been added to the SCR. The Governor enquired as to safeguarding plans going forward in relation to Artificial Intelligence (AI) literacy. The Assistant Principal (SEND and Foundation Skills) confirmed that work was being undertaken on online safety and cybersecurity and that this was a rolling agenda item for the Safeguarding Board. There had been a comprehensive audit and risk assessment of the College's online safety and a comprehensive action plan had been developed from this for implementation, and review and monitoring by the Safeguarding Board. The Designated Additional Learning Support and Special Educational Needs (ALS/SEN) Lead Governor enquired whether there was anything specific in relation to students with ALS/SEN. The Assistant Principal responded that there had been action taken around online safety, peer bullying, and online footprints in the Pathways cohort.

The Designated Equality & Diversity Lead Governor noted reference to protected characteristics. He asked whether the College monitored bullying of students with protected characteristics and whether there were any trends. The Assistant Principal confirmed that this was monitored and eTrackr software was used for recording. The College looked for trends in relation to, for example, prejudicial language behaviours. She reported that a new safeguarding monitoring and recording system was to be introduced which would enable tagging and labelling to assist with recording and monitoring.

A Student Governor noted that this type of bullying may be under-reported. She asked if the College was doing any work to reach out in this area and encourage recognition and reporting. Ms Campbell responded staff training had been rolled out and gave the specific example of training to recognise and challenge harmful sexual behaviours. She gave an example of reception staff spotting and reporting derogatory language on gender.

A Member asked if there were differences post-COVID. Ms Campbell responded that there was, with more risky student behaviours, more complex adverse experiences, and lower levels of mental health. Small group work was planned with students to recognise low mood. Whilst some students were reluctant to participate in group work there was evidence for benefits realised for a whole group in group work as students realised that they were not alone in their experiences.

A Member noted the reference in the report to student anxiety about coming to College. The Assistant Principal confirmed that this was reflected nationally. The Member enquired as to staff wellbeing in relation to supporting students. The impact of waiting lists for Child and Adolescent Mental Health Services (CAMHS) was noted. The Member enquired where low satisfaction and low attendance was reported was there a relationship between what was happening outside and what was happening at College. The Assistant Principal responded that this was potentially the case, and that the College was looking at mental health support and how to best utilise resources. She noted professional links with

social workers on placement, and the widening of Success4You to include enriching experiences and activities.

The Chair noted progress on safeguarding and Student Voice. He thanked the College staff for their caring approach and detailed and meticulous administration in this area. He spoke of his concern regarding suicide, noting that it is the largest killer of young men under the age of 35, and the importance of providing support. Ms Campbell responded that the College works closely with organisations working in this area such as Papyrus.

The Chair asked a Student Governor whether the College hears enough from young people. She responded that she believed this was the case and that students knew who to go to if they had an issue.

The Designated Safeguarding Lead Governor shared her experience of meeting a College student as part of a voluntary role she undertakes outside of College. She had asked the student, a fellow volunteer, about his experience of College. The student rated his experience at College highly, and shared that he had been badly bullied at school but his experience at College was completely different. The Governor said she was pleased to have been able to use this opportunity to triangulate.

The Corporation CONSIDERED the report.

The Corporation APPROVED the Designated Safeguarding Lead Governor to review and give interim approval for the revised Safeguarding Policy following KCSIE publication on 1 September 2023.

The agenda returned to order.

100/23 PRINCIPAL'S REPORT

The Principal presented a verbal report. She noted the appointment of the new Head of Human Resources (HR) (People and Culture) and a new HR Officer. Both had been instrumental in organising the Staff Development Day and new Annual Staff Awards. Positive feedback has been received from staff on this. She reported on the Annual Student Awards Day and changes that had been implemented for this year's event. There had been a thank you event for staff at the end of the day, and sponsorship had been introduced for student awards with the sponsor contributing a gift to the winning student.

The Vice Principal and Assistant Principal roles were being advertised and the recruitment process would include engagement with local stakeholders including employers, community and civic partners, as well as Governors, staff and students, and a tour of the Island.

The Principal reported that she had approached the Further Education (FE) Commissioner's office to request a free programme of support and review, to be followed by an efficiency review. This would provide real insight and facilitate action planning. Governor involvement is requested and it is expected that the FE Commissioner will want to speak with the Chair and Vice Chair. The review was scheduled for August 2023. In response to a query from a Member, the Principal confirmed that staff would be present as it was scheduled for GCSE results week.

The Corporation CONSIDERED the report.

With the agreement of the Chair the agenda was taken out of order.

101/23 COLLEGE HIGH LEVEL PI'S AND TARGETS

The Deputy Principal presented her report which outlined current monitoring of High Level Performance Indicators (PIs) and proposed targets for 2023/24. Current monitoring highlighted eight risk indicators marked red, and 16 medium risk indicators marked amber. She focused on red risk indicators as follows: attendance at functional skills maths; student satisfaction with the delivery of maths and English; employer satisfaction survey; loan facility for Advanced Learner Loans; and satisfaction for students from an ethnic minority group or with a disability. Actions taken to address were documented. Actions planned to improve PIs for 2023/24 were outlined.

A Member expressed frustration at familiar risks marked red, noting the huge work that had gone into improving these areas.

The Chair requested a quick summary headline report of GCSE results in August. The Deputy Principal confirmed that this is provided and would be circulated to Governors within a few days of GCSE results being published.

The Chair expressed concern at the low level of students achieving grade 4 in maths. The Deputy Principal responded that students with grade 3 would be entered for resits. She noted that national achievement results (NAR) tables were no longer reporting on high grades in English and maths. She had logged a query with the DfE and received a response that high grades were no longer published nationally. The Deputy Principal considered that this was not helpful as the data was useful for benchmarking. There were other data sources but these did not give as complete a set as NAR.

The Designated Equality & Diversity Lead Governor enquired as to any themes emerging relating to satisfaction among ethnic minority students and those with a disability. The Deputy Principal responded that no concrete themes had been identified but that the EDI (Equality, Diversity and Inclusion) working group would be picking this up. The Member enquired whether feedback would be provided to Governors and the Deputy Principal confirmed that it would be.

The Deputy Principal reported on proposed changes to KPIs for 2023/24 and any wording changing or repositioning. The new Head of HR was tasked with devising KPIs for HR. Mandatory Safeguarding and Prevent training had been added to the KPIs. It was hoped that the FE Commissioner review could be used as an opportunity to discuss KPIs.

The Corporation:

- CONSIDERED the report and monitoring of KPIs for 2022/23;
- APPROVED the High Level Performance Indicators for 2023/24.

102/23 PAY RECOMMENDATIONS 2023/24

The Deputy Principal presented her report on pay recommendations for 2023/24. At the Corporation meeting held 26 April 2023, the Corporation had approved for SMT to consult with the trade unions on a range of scenarios in relation to pay and wider benefits. A pay proposals paper was subsequently presented to the trade unions at an extraordinary meeting held 25 May 2023 with further discussion taking place at the Joint Negotiating and Consultative Committee (JNCC) meeting held 22 June 2023. The Deputy Principal outlined the recommendations. It was noted that the union pay claim was 15.2%. She

also reported that breakfast items had been introduced in staff rooms, and access had been secured by the new Head of HR to the Council's Kaarp staff benefits scheme at no cost to the College.

A Member asked if the teaching staff contract was still rooted in the 'silver book'. The Assistant Principal (Academic, Vocational and Higher Education) responded that the College did not run on the 'silver book' contract.

A Member noted that there had been an additional Bank Holiday this year and regarding the proposal to give two additional days leave for 2023/24 only, if the impact had been considered particularly regards part-time staff. He noted that there was a cost element to this proposal. The Principal responded that sessional staff would receive the proposed additional leave pro rata.

A Member considered that this was a difficult position to be in. The Principal acknowledged that there would be 'fall out' nationally and locally – the college system was underfunded and unions would be balloting for strike action. She was lobbying Ministers and the local MP.

A Member asked if the staff were likely to see the proposed pay offer as a 'slap in the face'. The Principal responded that it was going to be a challenge. Colleges were faced with difficult decisions. The discussion acknowledged the balance to be achieved regards recruiting and retaining staff; the impact of rising bills; and managing College finances. The Principal confirmed that pay recommendations had been poured over long and hard. The Chair on behalf of the Governors expressed deep regret that the funding situation did not enable a higher pay offer.

The Corporation CONSIDERED the report and APPROVED the following pay recommendations for 2023/24:

- To retain a differential between the role of generic and SLDD LSAs, it is proposed that SLDD LSAs receive a 5% pay award which will uplift their hourly rate from £10.52 to £11.04. This would be implemented from the 1st August 2023. The projected annual cost of this pay rise to the college is circa £28k. This would maintain the same differential that was in place prior to the minimum living wage rise.
- To implement a 1% **consolidated** pay rise across all staff. This would increase the pay bill by circa £100k. This would be implemented from the 1st August 2023 and has been factored into the 23/24 budget onwards.
- To implement a 1% **non-consolidated** payment payable from the expected end of year surplus, prorated for those staff who are fractional/sessional. As a one-off payment this has not been factored into the 23/24 budget.
- In recognition of the low pay award, to award an additional 2 days annual leave entitlement for 23/24 only, prorated for staff who are fractional. For those staff who are term time only and sessional, the increased allowance would be reflected in the holiday accrual rate. This would be in place for one year only and approval of when this leave could be taken would be subject to local line management agreement.

Further recommendation

- The college is also considering reducing the working week from 39 to 37 hours. This would enable an earlier closure on a Friday afternoon which would allow staff to start their weekend early and enjoy more free time to support their well-being. This reduction would apply to all staff (excluding sessional), including those who do not work on a Friday. This reduction in hours would

increase the hourly rate for a member of staff by circa 5%. However, this proposal requires further work to ensure that a reduction in the working week is manageable for all staff. Therefore, this will be further reviewed during the autumn term with staff consulted to determine how to make this possible without adversely affecting the college's operations. SMT, managers and teams will need to review current processes, systems and working practices with a view to streamlining them to allow them to operate more efficiently and effectively. This piece of work will be informed by the FE commissioners review which will take place in August 2023. It is hope that this could be implemented during the academic year 23/24 at a logical point in the year or, at the very latest, the beginning of 24/25.

103/23 REPORT ON DELIVERY MODEL AND IMPACT OF THE 40+ ADDITIONAL HOURS

The Assistant Principal (Academic, Vocational and Higher Education) presented his report outlining how the College has implemented and utilised the additional funded 40 hours of guided learning for 2022/23. To allocate and use the additional hours the College assigned 27 hours for curriculum study and developed a new programme titles Success4You (S4U) which was assigned 18 hours over 24 weeks. The S4U programme focussed on developing learners' understanding of personal wellbeing, supporting mental health, barriers to learning and life and learners' progression pathway. It was considered that this was a good piece of work within the timeframe given. There had been some operational issues with Level 3 attendance and the Assistant Principal (SEND and Foundation Skills) had taken this away and re-organised. The College was audited on the number of hours delivered to learners on study programmes in April 2023. The audit also verified that the delivered content of the programme matched the expectations within the funding guidance, and that the actual activities stated were being delivered. The audit was carried out by Southern Internal Audit Partnership. The audit noted in the summary findings that the College had been assessed as having a reasonable assurance level. The audit report noted that through sampling the 18 hours of additional mental health support once course had only 8.25 hours assigned. This was in the brick provision and has since been remedied with the cause determined as a timetabling administration error.

The Corporation CONSIDERED the report

104/23 FINAL QUALITY OF TEACHING & LEARNING REPORT INCLUDING EFFECTIVENESS OF IMPROVEMENT MEASURES

The Assistant Principal (Academic, Vocational and Higher Education) presented his report on the quality of teaching, learning and assessment at the College and the effectiveness of work to further enhance standards. The Assistant Principal reported that the overall learning experience of students remains good. Overall student attendance is 84%, which is below the target of 87%. Retention is currently 95% and which is the same position as 2021/22. To date 101 observations of teaching, learning and assessment (TLA) have been conducted, plus 20 peer observations, 8 walkthrough observations, 23 observations of learning support assistants and 14 non-classroom-based observations. This is a total of 143 observation activities. The emerging strengths remain consistent with those reported in March and relate to: planning for teaching and learning; staff expertise and knowledge; high quality resources; good development of students' use of technical and vocational language and development of the skills required and students being well motivated and engaged in their learning. No significant areas for improvement have been consistently identified to date, however there are a small number of staff where areas for improvement have been identified and these include: missed opportunities to further develop students' knowledge; checking of previous learning and ensuring students understood and were able to apply learning; providing constructive feedback to students. So far, this academic year, five members of staff did not show the required

level of skill and competency in an observation and have received additional informal support. Two of these staff members no longer work at the College.

A Member asked if feedback was given to all teaching staff. The Assistant Principal confirmed that this was the case with feedback happening in 1:1s with Heads of Department. He added that any manager could raise individual aspects at any stage.

The Corporation CONSIDERED the report

105/23 RESULTS OF PARENT SURVEY

The Assistant Principal (SEND and Foundation Skills) presented her report on the results of the Parents and Carers Survey 2022/23. The parents and carers of full-time students aged 16-18, part-time students aged 14-16 and students in Pathways are invited to complete a survey each year. The survey is conducted annually and the results continue to show high levels of satisfaction amongst parents and carers in the majority of areas with a 1% fall in overall aggregated satisfaction and a number of areas identified for improvement. The response rate for students aged 16-18 was 12%, which is 6 percentage points lower than 2021/2 and for students aged 14-16 it was 16%, 6 percentage points lower than in 2021/22. An evaluation of the key themes emerging from the survey, a tabular summary of the results and a sample of the written comments made by parents was provided. Areas where there has been a reduction in satisfaction and/or satisfaction for a specific curriculum area is below the College average are reviewed further to identify actions to try and improve satisfaction levels. Actions to address the low response rate were outlined including at least one parent engagement event to take place. This would dovetail with the safeguarding and online safety and the emphasis on interacting with parents.

The Governors noted the low response rate. The Chair enquired whether the College was required to publish the report. The Principal responded that the College was not obliged to do so but that it would be reviewed by Ofsted as part of inspection and could lead to a 'deep dive'.

The Corporation CONSIDERED the report and requested that a similar survey and report be undertaken in 2023/24.

With the agreement of the Chair the agenda was taken out of order.

106/23 2022/23 FRANCHISE ANNUAL REPORT

The Deputy Principal presented her report updating the Corporation on the progress of the College's subcontracting arrangements following the contracts paper presented in July 2022. The Deputy Principal reported that the College continues to work productively with its two subcontract partners UKSA and Platform One. Both partners have performed exceptionally well to date in this academic year. Retention is high and attendance on vocational programmes is very good. Both UKSA and Platform One focus on the delivery of their specialist qualifications and service in the delivery of English and maths from the college. English and maths are delivered at the partner's location. Attendance at English and maths is lower than on the main qualification. The English and maths team continue to work with partners to try and improve attendance. All provision is subject to College quality assurance systems, internal audit, and termly quality monitoring meetings which are conducted to review performance throughout the year. For 22/23, there was an Education and Skills Funding Agency (ESFA) requirement for the College to comply with the new subcontracting standard. This audit commenced week commencing the 24 April 2023 and the report is currently being finalised by the internal auditors. The internal auditors report must be submitted to the ESFA by the 31 July

2023. The standard will need to be renewed every three years. The Deputy Principal reported that she had received notification that the internal auditors were recommending to the ESFA that the College had successfully met the standard.

A Member noted that Platform One had clearly developed and expanded its portfolio and asked whether there was likely to come a point when they would not need the partnership with the College. The Deputy Principal noted developments but stated that Platform One would not be awarded an ESFA contract in their own right. Under due diligence the partner was required to provide learner numbers for threshold reporting. It was important to closely monitor the partnership and to be aware that Platform One could seek partnership with HTP locally which the College would wish to avoid, she concluded.

The Corporation CONSIDERED the report.

107/23 2023/24 PARTNER CONTRACTS: PLATFORM ONE/UKSA

The Deputy Principal presented her report informing Corporation of the proposed final partner contract arrangements for 2023/24 and seeking approval. She reported that student applications were strong for UKSA and that Platform One had increased student numbers to accommodate a Level 3 programme in fashion. Skern training were proposed for GKN apprentice training as previously in-line with GKN's national programme. A new partner, LJR Coaching, was proposed to replace the Pompey in the Community contract due to the ill-health of a staff member.

The Corporation CONSIDERED the report and APPROVED the partner contracts with Platform One, UKSA, LJR Coaching, and Skern training as detailed in the report.

108/23 RISK REGISTER/SUMMARY OF HIGH-LEVEL RISKS

The Director of Finance presented the Risk Register and summary of high-level risks. This had been reported to and reviewed by the Audit Committee at its meeting in June 2023. The Director of Finance reported that all risks had been reviewed. There had been some consolidation of risks and realignment of ownership. She outlined new risks added. Governors requested a front page summary of the highest risks and any mitigations taken.

The Corporation NOTED the report.

109/23 VAT/MULTISKILLS/DELAMITE ANNUAL REPORT

The Director of Finance presented the Annual VAT and Delamite report. The Director of Finance reported that the Audit Committee had reflected on the reports brought on Delamite and requested that a future report come to Corporation with recommendations. The Vice Chair of Audit Committee added that the Committee did not consider this to be a major or urgent concern but that it would be prudent to look to the future and consider what is the best action to take regarding Delamite, considering the options available and implications of these. It was agreed to table a future report as outlined above.

The Corporation NOTED the report.

110/23 AUDIT COMMITTEE MEETING REPORT: JUNE 2022

The Director of Finance presented the Audit Committee meeting report. The Audit Committee had scrutinised the Accounting Policies; External Audit Planning Memorandum; and the Annual Review of Financial Regulations and Procedures and were recommending them for approval.

The Corporation APPROVED:

- the Accounting Policies;
- the External Audit Planning Memorandum; and
- the Financial Regulations and Procedures.

111/23ESFA TWO YEAR FINANCIAL FORECAST

The Director of Finance presented the two year financial forecast which was due to be submitted to the ESFA by 31 July 2023. She reported that year one becomes the outturn budget for the following year. Both years were recording a small surplus with savings required to achieve this. The covenants have been tested and were projected to be met with good headroom. She advised Members to note the level of income drop or cost increase which would result in a rating of Requires Improvement. A Member asked how the second year stood. The Director of Finance responded that it was as year one with some minor changes. She reported that the forecast had been prudent in terms of income and that as T Levels had been delayed this income was not included in the forecast.

The Corporation APPROVED the submission of the Two Year Financial Forecast to the ESFA.

112/23 RENEWAL OF CATERING AND CLEANING CONTRACTS

The Director of Finance reported on renewal of catering and cleaning contracts. A report had been considered by Audit Committee at its meeting in March 2023 and due diligence had subsequently been undertaken to benchmark with other colleges. The Audit Committee had approved contract renewals for catering and cleaning and in-line with the Financial Regulations the contract extension is being reported to Corporation.

The Corporation NOTED the renewal of catering and cleaning contracts.

113/23 DATES OF NEXT MEETINGS

The Chair closed part A of the meeting. The next full Corporation meeting was scheduled for: 18th October 2023 in The College Business Centre

114/23 MONTHLY FINANCE REPORT – MANAGEMENT ACCOUNTS AND LATEST ESTIMATE

The Director of Finance presented the Monthly Finance Report.

1. The management accounts report the ACTUAL position for the 10 months to date (to May).
2. As we always do, we are reporting the position against the budget agreed in July 2022. We are currently showing an operating surplus before structuring costs of £416k (versus a budget surplus of £394k), which is a £22k FAVOURABLE variance.
3. This has been driven by the following key items:
 - a. INCOME:
 - b. We are showing an adverse variance against tuition fee income of £223k - £196k of which relates to a much lower take-up in Advanced Learner Loans, lower Erasmus income (by £208k) – delivery of this income stream is drastically reduced for the year, and £161k full cost income for the year to date – which wasn't in the budget
4. PAY – Pay costs for the year are showing a £495k favourable variance for the year. The number of non-recruited vacancies in year has been reflected in the latest estimate.

5. NON PAY – Non pay costs are now showing a £296k adverse variance for the year to date, primarily driven by higher utility costs (which are £522k higher for the year to date). The inflation allowance included in the budget is helping to offset these costs for the year to date. Additionally, we did see a minor reduction in utility costs in month, we has enabled a slight downturn of forecast utilities spend.
6. BALANCE SHEET – key items include:
 - a. DEBTORS - total debtor days stand at 38 days, compared to 104 days in May 2022 (much of this difference relates to timing of Fareham SDF invoicing in 2021/22).
7. CASH – the total cash balance is £7.1m, of which £5.6m is college own funds (excluding unspent project monies). In May 2022, college own funds totalled £4.9m.
8. COVENANTS – as noted before, the covenants are only measured by Lloyds on the 31st July. If it were based on May actuals, all covenants would be met, with some healthy head-rooms.
9. FINANCIAL HEALTH – the current financial health of the college (based on a years' rolling income) would be OUTSTANDING at 250 points. (In May 2022, the equivalent points were 250 points, giving a financial health score of outstanding.)
10. LATEST ESTIMATE - The latest estimate has been reviewed in detail and revised, and now predicts a surplus of £218k, with some assumptions of additional spend to be taken in year (£100k non-consolidated payment to staff of £100k, and additional non pay spend to alleviate 2023/24). This would generate a financial health of good at 230 points. This latest estimate has been included as 2022/23's outturn for the CFFR.

A Member commented that politically one did not want to see a large balance at the end of the year. The Director of Finance responded that there was a delicate balancing act as the balance sheet also depends on the borrowing ratio being reduced over years. Following a query from a Member it was confirmed that the financial accounts are publicly available. A Member considered that it was important to maintain a surplus to cover energy costs. The Director of Finance responded that this was in the reserves and that costs had been included at this year's value though it was expected that costs would fall with the implementation of energy efficiency improvements. A Member asked if it would be possible to make an additional payment to staff. The Principal responded that the College will be hard pressed to make sufficient savings to enable an additional pay review but this would be monitored. A Member asked how difficult 2023/24 would be. The Director of Finance confirmed that it would be difficult and that significant pay and non-pay savings have been embedded into the forecast.

A Member commented that they had found it difficult to access the confidential documents. The Director of Governance would arrange for the direct link to the confidential folder to be circulated.

The Corporation CONSIDERED the report.

With the agreement of the Chair the meeting was closed as the Corporation had now been in session for the scheduled three hours and Members had other commitments to attend to. It was agreed that the remaining matters for approval would be sought by email with the decisions recorded and reported to Corporation as below.

115/23 CAPITAL COMMITTEE UPDATES

The Corporation APPROVED:

- the refurbishment of L block and the relocation of Hair into P block based on the current plan and key indicators (option 1 in the report);

- the refurbishment and construction of the Institute of Technology (IoT) extension at CECAMM project based on the current plan and key indicators (option 1 in the report);
- the refurbishment and repurposing of the hydrotherapy pool as a sensory room.

116/23 DRAFT REMUNERATION COMMITTEE MINUTES

The draft minutes of the Remuneration Committee meeting on 21 June 2023 were circulated for information.

117/23 ANNUAL REVIEW OF THE PRINCIPAL

The Corporation CONSIDERED the appraisal report and APPROVED the objectives for 2023/24.

118/23 ANNUAL REVIEW OF THE DIRECTOR OF GOVERNANCE

The Corporation CONSIDERED the appraisal report and APPROVED the objectives for 2023/24.