

**MINUTES OF A MEETING OF THE CORPORATION BOARD
HELD IN THE BOARD ROOM ON
TUESDAY 21st MAY 2024 AT 5.30 PM**

Governors	Type	Initials	Attendance	Apologies
David Allsop	Independent (Chair)	DA	X	-
Chris Todd	Principal and CEO	CT	X	-
Lesley Sewell	Independent	LS	-	X
Carl Bozeate	Independent	CB	X	-
Carole Loader	Independent	CL	X	-
Guy Brown	Independent	GB	X	-
Sarah Jones	Independent	SJ	X	-
Kelly Miller	Independent	KM	X	-
Matthew Taylor	Independent	MT	-	X
Mark Short	Independent	MS	-	X
David McHugh	Independent	DM	X	-
Stuart Corbridge	Independent	SC	X	-
Vicky McDermott	On sabbatical	VM	-	-
Simon Howard	On sabbatical	SH	-	-
Helen Brennan	Staff Governor	HB	X	-
Nicola Dixon	Staff Governor	ND	X	-

Attendees	Type	Initials	Attendance	Apologies
Susan Errington	Deputy Principal	SE	X	-
Rachel Holmes	Director of HR	RH	X	-
Deborah Minns	Interim Head of Finance	DM	X	-
Donna Walker	Director of Estates and Facilities	DW	X	-

Clerk	Type	Initials	Attendance	Apologies
Elaine Gaines	Head of Governance	EG	X	

1. Welcome, Apologies for Absence and Declarations of Interest

- 1.1. The Chair welcomed everyone to the meeting. A warm welcome was extended to Stuart Corbridge who was attending his first meeting as a Governor and also to Donna Walker (Director of Estates & Facilities) and Deborah Minns (Interim Head of Finance) in attendance to present reports at item 6.1 and 6.3.
- 1.2. Apologies were received from LS, MS and MT. **The Board agreed that the meeting was quorate.**
- 1.3. There were no declarations of interest.

2. Appointment of Governors

- 2.1. The Chair reported the Search & Governance Committee met yesterday and agreed to recommend to the Board the appointment of David McHugh and Stuart Corbridge.

The Chair reported that it is normal practice for a Governor to observe a Board meeting; however, it is the recommendation of the Search & Governance Committee that Stuart Corbridge is appointed as a Governor, to allow him to participate in the Away Day that will take place on 11th June.

Following the recommendation by the Search & Governance Committee the Board **approved:**

- the appointment of Stuart Corbridge and David McHugh as Governors.

Following the recommendation by the Search & Governance Committee the Board **approved:**

- the appointment of Stuart Corbridge to the Quality & Standards Committee.
- the appointment of David McHugh to the Audit & Risk Committee.
- the appointment of Sarah Jones to the Search & Governance Committee.

The Chair reported the AoC Code of Governance recommends Governors serve a maximum of two terms. The term of office for Mark Short will come to an end in October 2024; however, the recent Governor recruitment cycle failed to recruit a Governor from a local employer with the relevant skills and expertise required by the Board. Therefore, the Search & Governance Committee recommend the appointment of Mark Short for one further year. The appointment would provide more time for the College to source a replacement from the local business community.

Following the recommendation by the Search & Governance Committee the Board **approved:**

- the extension to the Term of Office of Mark Short for one year.

Ms McDermott – DA reminded Governors that Instrument 10 (2) of the Instrument & Articles of Government states that

If at any time the Corporation is satisfied that any member –

(a) is unfit or unable to discharge the functions of a member; or

(b) has been absent from meetings of the Corporation for a period longer than six consecutive months without the permission of the Corporation,

the Corporation may by notice in writing to that member remove the member from office and the office shall then be vacant.

DA reported that VM had been absent from the Board for a significant period of time due to illness. DA had made attempts to communicate with VM to determine if she wished to return to the Board as a governor however, VM had not responded. The issue was discussed at the Search and Governance Committee in detail, with the Committee recommending the removal of VM from her role as a governor on the basis that she is 'unable to discharge the functions of a member'. The Search and Governance Committee recommended the removal of VM from the Board.

The Board agreed to remove VM from her Governor role with immediate effect. DA will write to her to notify her of the decision and to thank her for her contribution.

Finance & Resources Committee – DA notified Governors that the Search & Governance Committee will be recommending the introduction of a Finance & Resources Committee into the Governance structure for the 2024-25 academic year. If approved by the Board in July, the new Finance and Resources Committee will lead on key areas such as financial

planning and management, alongside several other corporate functions. This will allow the Corporation Board to retain a strategic focus.

Vice Chair & Senior Independent Governor – The Search & Governance Committee will also be recommending the introduction of a Senior Independent Governor role for the 2024-25 academic year. If approved by the Board in July, the Senior Independent Governor will act as a sounding board to the Chair; conducting the Chair's annual appraisal; chairing the Remuneration Committee; and supporting effective corporate governance.

A role description for the vacant Vice Chair role and the Senior Independent Governor position will be circulated by the Head of Governance following the meeting. Nominations will be sought at the July meeting and governors were encouraged to consider putting themselves forward (subject to the approval of the SiG role at the July Board meeting).

2.2. Student Governor

The Chair reported that the potential Student Governor had withdrawn from the process of appointment. Recruitment will begin soon to find a Student Governor to join the Board. In the absence of a student governor, developing opportunities for governors to engage with learner voice activity was even more important. DA reported that he had attended two learner voice sessions and a curriculum visit, all of which were enjoyable and fascinating. Governors were asked to let the Head of Governance know if they would like to attend the learner voice / curriculum sessions. DA also identified that lead governor roles were under consideration by the Search and Governance, providing further opportunities for engagement with staff, students and stakeholders.

3. Minutes of Previous Meetings and Matters Arising

3.1. **Minutes – Corporation**

The Board **reviewed** the minutes of the meeting held on the 26th March 2024. DA proposed an amendment to page 5 of the minutes in relation to the compliments and complaints report. The Board agreed the changes proposed and approved the minutes of the meeting held on 26th March 2024 as a true and accurate record of the meeting. **The minutes were approved.**

Matters arising – Development of the Risk Management Policy. CT reported that the new Vice Principal – Finance and Resources would be tasked with setting up a meeting of governors to consider the Colleges approach to risk management. Once this meeting has taken place, a new deadline will be proposed at the July Board meeting.

3.2. **Minutes – Audit & Risk Committee**

In the absence of the Audit & Risk Committee Chair, CT informed the Board that a one-year extension to the College's external audit contract was recommended. This service will be re-procured by the Vice Principal – Finance & Resources in the 2024-25 academic year.

Comments were invited – none were raised.

The Board received the minutes of the Audit & Risk Committee dated 19th March and approved the extension of the External Audit Contract for a further year, based on the prices set out in the meeting papers.

3.3. **Minutes – Quality & Standards Committee**

DA invited the Quality & Standards Committee Chair to provide an update to the Board regarding the Quality & Standards Committee meeting held on 30th April.

GB provided a verbal overview of the meeting. Items discussed included the strategic landscape, the Accountability Framework, Attendance, Achievement Rates, progress to date against the QIP, Tutorial and CES and the importance of data provided to the Committee, to enable them to see and understand the progress being made. Feedback was provided by the Committee regarding the draft Quality Strategy. GB reported a subsequent meeting has taken place relating to the to the draft Quality Strategy, this is a key framework document and will link into self-assessment.

The Board **received** the minutes of the meeting held on the 30th April.

DA proposed the Board receive agenda items 6.1 and 6.3, first to enable the staff members to leave the meeting after their presentations. The Board agreed. (The minutes are laid out to follow the agenda, the timing the attendees left the meeting are recorded within the minutes).

4. Strategy and Direction

4.1. Principal and CEO Report

CT introduced his report. The purpose of this report was to provide the Board with a clear view on current risks and opportunities; the position of the College on its journey to achieving the strategic priorities; and matters that cause him concern.

- **Positives**

Governance – Good progress has been made this year towards recruiting new Governors. This was a key priority for 2023-24 and has been achieved, paving the way for further corporate governance developments in 2024-25.

Durham Alliance – CT informed Governors that he has had some extremely positive discussions recently with the Durham Principals towards the development of a more formal alliance. This is likely to take the form of a non-legally binding Memorandum of Understanding (MoU) initially, formalising our already successful collaborative partnership. Once the MoU is in place and agreed by the Board, the Alliance will look to take forward a project to review the collective curriculum offer as part of the 'duty to review' (Skills Act). This will bring the four Durham Colleges together with the aim of shaping the skills agenda with our local geography.

Curriculum Growth – As part of our financial planning for next year and with the aim of achieving our ambitious growth targets, the College has increased capacity in its Business Development and Adult Skills Teams. New roles have been created to support the College towards recruiting new employers, providing increased support and capacity to generate new business. Almost all roles are now filled and with the return of our Assistant Principal – Business Development in August following maternity leave, the College is well placed to generate increased revenues in 2024-25. Moving forward, we will be working towards the development of a longer-term strategy for growth, which will be a key strategic priority for us in the years ahead.

Apprenticeship Achievement Rates – apprenticeship achievement rates have seen a significant improvement in 2023-24 so far, with our current actual achievement rate sitting at 57.1%, which is already higher than last year (56.2%). We expect to end the year with an achievement rate of between 60% and 65%, which would represent a major achievement and significant turnaround. Moving into 2024-25, we will be working towards the government target of 67% and will seek to exceed this if possible.

Areas of Concern

Quality of Education – the College continues to experience challenges in, a number of key areas within the quality of its provision. Attendance against our education programmes for young people remains low however, an action plan is in place and significant progress is being made here. Further work will continue as we work towards the new academic year, where we expect to see major improvements. SE and CT will personally facilitate a number of meetings with groups of Lecturers to promote our vision for education programmes going forward, which will include attendance, punctuality and behaviour. CT cited the recent AoC Attendance Report, which highlights a sector average of 84%. Poor mental Health is cited as a major factor within the report, with 68% of attendance issues potentially linked to this.

CT paused and invited questions/comments.

In relation to mental health issues of learners, ND reported the importance of spotting the signs early cannot be underestimated. No other questions were raised.

News and Updates

North East Combined Authority – The North-East Combined Authority (NECA) has now been formed, with the appointment of Kim McGuinness (Labour Party) as the new North-East Mayor. The College has been working hard to build relationships with key staff within NECA.

Ministerial Visit – Liz Twist – CT informed Governors the visit of Liz Twist was cancelled at short notice. Contact will be made with the office of Liz Twist and Bridget Phillipson to establish if a visit can be arranged.

100% Opportunity: The case for a tertiary education system - The AoC recently released a publication entitled ‘100% Opportunity: The case for a tertiary education system’. The document is designed to influence; in particular, the political parties who are currently in the process of developing their manifestos. It has been developed from the various AoC policy groups and is accompanied by a series of more detailed policy papers, covering each component. The link to the relevant AoC webpage was included with the meeting papers for Governors.

The document is a ‘must’ read for Governors. This document will be explored in a little more detail at the Away Day, where an AoC representative will be in attendance and will represent the perfect opportunity for governors to challenge and ask questions.

Questions/comments were invited – DA reported that he had recently attended a NE Principals and Chairs event organised by the AoC. He had met two of the other Durham Chairs who had expressed support in principle for the proposal for a Durham Alliance set out above.

Governors received the Principal and CEO report and:

- **Noted** the College’s positive performance against the strategic plan KPIs and consider the key issues, risks, and implications presented within the report.

5. Curriculum Quality and Learning

5.1. Accountability Agreement 2024-25

SE introduced her report. The purpose of the report was to provide the Board with some background regarding the requirement for all Colleges and designated institutions to

produce an annual Accountability Agreement for submission to the Department for Education (DfE) by 30 June 2024.

It is a requirement for all colleges and designated institutions to produce an Annual Accountability Agreement for submission to the Department for Education by 30 June. This agreement also forms part of the contractual relationship the College has with the DfE in return for funding in the 24-25 academic year.

As a reminder for members, the concept of more accountability on colleges first emerged from the Skills for Jobs White Paper in January 2021 and was confirmed in law by the Skills and Post-16 Education Act 2022; and an integral part of the act is to ensure colleges are offering a curriculum which is relevant to local need and linked to the findings from local skills improvement plans.

In December 2023, the DfE updated their guidance on Accountability Agreements and the existing Local Needs Duty. This outlines that the statutory duty on Governing Bodies to review how well an institution's education meets local need should now be contained within the Accountability Agreement, thus removing the need to publish two separate documents. The guidance also reaffirmed the 7 areas of national priority – SE reported the agreement has been written to align with these priorities.

The guidance was followed on how the Accountability Agreement should be set out and the document outlines how our curriculum meets national, regional, and local skills priorities. The key curriculum objectives for 24-25 have been captured, which will form part of the overall strategic plan. To strengthen the document from last year.

- SE referred to the 'Purpose' section on page 4, it sets out how our current strategic priorities align with our curriculum offer.
- Under developing the 'Accountability Agreement' from page 8, the Curriculum Planning Process has been embedded; SE felt this element was missing from the previous year.
- Under section 4 Contribution to Skills Priorities, page 11 onwards, this section clearly sets out how our provision meets both national and regional priorities and SE feels very positive our Curriculum is making a major contribution within the North East and to the priorities outlined within the LSIP.

SE paused and invited questions – none were raised.

- In section 5, a high-level summary has been included, outlining the key conclusions in meeting our Local Needs Duty including any specific actions and our commitment to clustering with the other Durham colleges to analyse the skills offer across the institutions during 2024-25.

SE invited questions. DA wanted to know if other colleges had incorporated similar wording into their agreement relating to the developing Durham Alliance. In response CT reported that discussions were underway and an attempt would be made to harmonise the wording.

GB wanted assurance that the words used in the Accountability Agreement align to the wording included in the Strategic Plan. In response, SE reported that the actions identified within the Accountability Agreement were directly linked to the strategic priorities. Discussion ensued.

CL asked in relation to the Skills requirement, from an Ofsted inspection framework lens, she wanted to know, if an Ofsted Inspector were to look at the Accountability Framework document, would they get what they needed to know from it. In response, SE reported that the document would provide a positive view of the College's success in meeting local skills needs and would inform the skills judgement. Significant progress has been made here since the last inspection, but further work is required to ensure consistent employer engagement in curriculum design across all curriculum areas. This will be a theme in the 2023-24 SAR. Discussion followed.

SC wanted to know if there was any indication that any Accountability Agreements had been pushed back by the DfE. In response, SE reported that she is not aware of this. Colleges have adopted their own approach to creating the document. Some colleges have chosen to have several people writing separate sections of the document. However, SE has not taken this approach; our document was written by one person (SE) to ensure a concise and well-structured document.

DM wanted to know how the Board would gain assurance that the objectives outlined within the Accountability Agreement would be met. In response SE reported this would be monitored on a monthly basis via the Forums. CT agreed to give this further consideration and to consider how progress made against actions in the Accountability Agreement can be incorporated into his regular Board reports.

The Board received and approved the Accountability Agreement 2024-25 and:

- **noted** that all actions identified within the agreement, will be incorporated into the new Strategic Plan which will be presented to the Board for approval at a forthcoming meeting.

At 7.05 pm the Chair proposed a pause in the proceedings to allow Governors a short comfort break. The proceeding resumed at 7.10 pm

6. Finance & Resources

6.1. Health, Safety and Estates Report

DW introduced her report. The purpose of the report was to provide the Board with an update on Health, Safety and Estates activities within the College. The report provided a clear view of the College's compliance against key requirements, the control arrangements in place and assurance that the legal and statutory duties of the Corporation Board are being discharged appropriately.

DW reported the following positives:

- **Team** - There is a strong team in Estates & Facilities - the appointment of Tina Hannant to the role of Vice Principal – Finance & Resources will enhance this further.
- **T-Levels Capital Project** - The T-Level capital project is now 7 weeks in to a 20-week building work programme and is progressing well.
- **Health & Safety Committee** – The Committee is established, and some early developments are coming through.

DW reported the following challenges:

- **Culture** – the dial in relation to the College culture of Health & Safety needs to shift. DW reported this was a topic of discussion earlier today at the Senior Leadership Team meeting. DW recognised that a cultural change can be a challenge; however, with the support from the Senior Leadership Team she will work to address this.

- Critical Incident Procedure- this is high on the agenda, particularly given that there have been several instances nationally. There is work to do relating to the Critical Incident Procedure. DW invited support from Governors towards this.
- RIDDOR reportable instance – DW reported that there was one RIDDOR reportable instance involving a member of staff, an internal investigation was conducted, with lessons learned and actions arising now addressed.
- Fire – DW informed Governors, in the early hours of 9th May, the College was alerted to a fire outbreak in the laundry room on the ground floor of the building. The fire brigade attended site and managed to extinguish and contain the fire to this area only. The fire alarm system functioned as intended and nobody was hurt or injured. An investigation led by the fire brigade is currently underway to determine the cause of the fire; this will sit alongside the college investigation. Once concluded remedial actions will be identified and action taken where necessary. The insurers have been contacted with a view to making a claim.
- Board Assurance Framework - In line with the Board's directive to develop Board Assurance Frameworks (BAF) across key areas of the College's business, the Director of Estates and Facilities has produced a Health, Safety and Estates BAF and this was included in Appendix 1 of the report for Governors. The BAF provides internal controls in operation against each requirement, alongside an assessment of the level of assurance that is currently being provided to the Board. The BAF also provides a view on risk, in relation to the assessments made against internal controls and assurance. In addition to the BAF, a Health, Safety and Estates Action Plan has been developed to strengthen controls in key areas this was included in Appendix 2 of the report.

DW paused and invited questions/comments.

DM wanted to know if there was a test date for the Critical Incident Procedure. In response, DW reported external advice is being sought first, the current system is not fit for purpose, at present the single activation point is located at Reception. DW acknowledged that a new system is required; and once in place drills will take place to ensure it is fit for purpose.

DM asked DW if text alerts had been explored as a tool to support the critical incident process. He offered to support DW with the critical incident procedure and DW welcomed this.

CT wanted to know if there was anything in the short-term that could be done to provide further assurance to the Board and to mitigate risk. DW reported that a sub-committee of the Health and Safety Committee are looking at this issue to identify a short-term improvement in controls, whilst a longer-term solution is sourced.

SJ wanted to know if governors are involved in the Health & Safety Committee. In response, CT reported that the committee is a management committee however, the introduction of a Lead Governor for Health and Safety should be considered. If accepted, the appointed governor could sit on the Health and Safety Committee. DA suggested, if Governors would like to volunteer to support with Health & Safety they should notify the Head of Governance.

SJ wanted to know more about the culture shift required. DW reported the change required is for staff to take more ownership of health and safety, and for relevant managers to lead in their own areas. High risk area risk assessments were a key priority and would be a source of focus over the coming weeks and months.

In relation to the Fire incident, KM wanted to know how this impacted learners. DW reported the College was closed for one day for full-time learners, there was no disruption to evening classes. A local business is being utilised to launder items for the Catering & Hair & Beauty departments while the laundry room is out of commission.

CL enquired as to the cause of the fire and the potential risks to learners and staff regarding health and safety. CT reported that an investigation into the cause of the fire is underway and once the outcome of this is clear, the College will consider remedial actions. CT highlighted that risk assessments are in place for all activities, including high risk activities, and these are currently all under review.

DA asked DW to provide an indication to the Board as to when they could expect to receive a report to gain assurance to the Board that the challenges outlined have been dealt with and positive progress made. DW and CT agreed that regular reports would be prepared and presented to the new Finance and Resources Committee in 2024-25.

ND reported that since DW joined the College, there has been more pro-active communication with staff, which is welcome.

CB welcomed an honest report. DW informed Governors, accident reporting is now online, therefore trends and intervention will be identifiable, she asked Governors not to be alarmed if the figures rise.

No other questions/comments were raised.

The Board received the Health, Safety and Estates Report and:

- **reviewed the Board Assurance Framework and Action Plan**
- **approved the Health, Safety and Estates Action Plan**
- **noted the intention to review and update the Health and Safety Policy and to develop the Estates Strategy in 2024-25**

DW left the meeting at 6.25 pm.

6.2. Indicative Annual Budget

In the absence of a Vice Principal – Finance & Resources, this agenda item was presented by the Principal; he began by reminding Governors the Vice Principal – Finance & Resources will join the College on 10th June.

The Principal introduced the report. The purpose of the report was to provide the Board with a detailed overview of the indicative budget for the 2024-25 financial year. The indicative figures in the report were collated by the Interim Head of Finance and the Interim Vice Principal - Finance & Resources.

The Interim Head of Finance and the Principal are currently working with Budget Managers to refine the figures presented, which will inform the final budget presented to the Board in July. CT provided an overview of the key figures, as follows:

Indicative Budget - 2024-25

Income - £10.7m

Pay – £7m

Non-pay - £3.6m

EBITA - £407k

Cash reserves – these are forecast to increase significantly in 2024-25 as the College recovers from the T-Level capital project.

Capital Expenditure – A modest approach has been taken towards this profile to allow the College to rebuild its cash reserves.

Financial Health & EBITDA Surplus – The College's financial health is expected to be 'GOOD' at the end of 2023-24 and 2024-25, returning to 'Outstanding' thereafter. The College is expected to produce an EBITDA surplus of £500k in 2024-25, rising to £662k in 2025-26 and £735k in 2026-27.

Cash Flow - The College's cash balance is expected to reduce from a low of £892k at the end of July 2024, rising to £1.761m at the end of July 2025. The significant cash flow strains experienced by the College in recent years due to the capital programme and the clawback of adult education budget, are not expected to be a feature from 2024-25 onwards.

Pay Award - The annual budget includes a pay award for staff of 2% within the 2024-25 financial year and further increases, depending on affordability of around 3% per annum in 2025-26 and 2026-27. At this stage, the 2024-25 provision is for planning purposes only and will be subject to the approval of the Board in July 2024.

Growth – The intention is to pursue a strategy of growth in the coming years in order to provide an increased EBITDA surplus and to strengthen financial health and sustainability into the longer term. This strategy will initially be focused on the key income streams outlined in section 3.4 of the report. Growth is critical to the College's long-term success and sustainability, and other opportunities will be explored for income diversification alongside the developments listed in section 3.4 of the report.

Questions/comments were invited.

DA thanked CT and his team for the work done towards this, he acknowledged that it is important to have alignment between the Strategic Plan and the budget, to enable Governors to see if the Strategic Plan is on target, he also welcomed the work to forecast the budget for the coming years.

SC asked for a view on current industrial relations. CT reported that staff morale is good, with the exception of a small minority of staff feeling aggrieved by the way the College has implemented the recent Real Living Wage changes, and the contractual change relating to reduced working hours for support staff. RH reported generally that there is not a significant 'push-back' from Unions and that they understand pay awards must be affordable.

DA noted there is talk in the sector relating to National Pay Bargaining – he invited CT to update Governors regarding this. Discussion followed. RH reported the regional AoC forum took place earlier today and there was push-back from Colleges on national pay bargaining, however, the Unions are in favour. CT is not in favour of national pay bargaining in the current climate, and if this was to be progressed, significant changes would be needed to the funding arrangements for colleges.

No other comments or questions were raised.

The Board received the Indicative Annual Budget Report 2024-25, reviewed the proposed budget for the 2024-25 fiscal year as outlined in the report and noted that the finalised Annual Budget and the College Financial Forecasting Return (CFFR) will be presented for approval in July 2024.

6.3. M08 Management Accounts

The Interim Head of Finance introduced the M08 Management Accounts Report. The purpose of the report was to present the monthly accounts to the Corporation Board, highlighting any areas of concern and points for consideration.

Outturn - At the end of month 08 the College has an EBTIDA surplus of £33k, against a budget surplus of £334k, giving a negative variance of £301k, a small improvement on last month. This is expected to improve significantly as we move towards year end.

Income - At the end of month 08, the College has a total income of £6.460m. When compared to the budget position for this period of £6.673m, this gives an under-recovery and negative variance of £213k. The increase in AEB delivery has been offset by a reduced number of new apprenticeships. However, there is increased revenue funding from the LSIF (Local Skills Improvement Fund) schemes.

Staff Costs - Payroll costs to the end of month 08, gives the College a total spend of £4.024m. When compared to the budget position for this period of £4.173m, this gives a net payroll variance underspend of £149k. This variance reflects the savings being made from unfilled posts. A year-end projected underspend of £324k which includes the additional funding from the ESFA for cost of living pay support. The College is likely to exceed this and may return a £350k underspend.

Apprenticeships - New starts are £251k below the budget target but carry-in is now £69k above budget. Year-end projections are forecasting a £95k combined over-delivery in new starts and carry-in apprenticeships. Work is required to review the College's position and year-end projections.

Cash Flow - The College cash flow has been reworked to include the T-level capital funding, Notice has been given to the bank regarding funds held in the high interest deposit account, as all cash reserves are required to support the T-level capital project/specialist equipment and the associated affordability gaps for both. The monthly cashflow is being monitored carefully to maximise interest on surplus reserves and ensure the College can support all of its in year schemes.

Questions/comments were invited.

DA asked if vacancy expectations were built into the budget. CT reported this hadn't been done for this year; the number vacancies carried was unexpected for this year. Next year will be less favourable. DA wanted to know if posts were becoming harder to fill. In response, RH reported it was becoming easier of late, she cited a vacancy that recently attracted 9 good calibre candidates.

Examination Costs / End Point Assessment

The cost of external registration and exams is £180k, against a budget of £160k, giving an overspend of £20k. Apprenticeship end point assessments costs are £270k, against a budget of £233k, giving an overspend of £37k. Year-end projections gives an overspend of £49k for exam costs, due to the increased numbers of 16–19 students and £80k for EPAs. These will be closely monitored throughout the year and updated.

Subcontracted partner costs - Costs amount to £252k against a budget of £238k for the period, resulting in an overspend of £14k. Delta North, the College's subcontracting partner is now delivering to target. Year-end projections are tabling a £38k overspend. This is due

to Delta North forecasting full delivery of its £200k AEB contract and a £50k agreed over-delivery of its 16-19 classroom provision.

Utility Costs - The combined budget heads for gas and electricity, give a period end cost of £106k, against a budget of £166k, with an under-spend of £60k. Projections give a year-end under-spend of £69k. Budgets were set when utility costs were dramatically rising, and hence significant prudence was taken when setting these budgets last year. After utility prices have reduced, this has subsequently meant underspends in these areas. Prudence will be used again when setting the 2024/25 budgets, but new rates have been secured under the existing provider.

Questions/comments were invited.

GB wanted to know if the exams and EPA costs were in line with student recruitment. CT reported that these costs are complex to profile and are often lagged. For EPA costs, the College utilises a predicted achievement tool and this was being developed to profile expenditure more accurately. Further work is needed here to improve the accuracy of forecasts in these areas.

KM wanted to know if any negotiation had taken place with the Awarding Organisations to secure discounts. In response SE reported a good deal had been negotiated with NCFE and other awarding organisations. DM confirmed that she will continue to seek value for money in this area.

The Board received the Month 08 Finance Report.

DM left the meeting at 6.25 pm.

7. Governance Matters

7.1. Financial Statements Review

The Head of Governance presented the Education & Skills Funding Agency letter dated 22nd April 2024. The letter outlined the findings of the Financial Statements Review 2022 to 2023, following the ESFA review of the college's financial forecasting return (CFFR) submitted in July 2023, the ESFA concluded that the college's financial health grade for 2022/23, based on the outturn forecast was 'GOOD', following a review of the college's audited financial statements and finance record, the ESFA confirm this grade.

Other Matters - Emphasis of Matter

It was noted that the external auditors include an emphasis of matter paragraph in the college's financial statements in relation to the accounting treatment and assumptions regarding the Local Government Pension Scheme. The letter confirmed the ESFA do not require any further information at this time.

MPM Compliance – Matter Raised

During the ESFA review of the college's financial statements, it was noted that a Novel transaction, as a result of a legal case brought against the College was subsequently given retrospective approval by the DfE. The ESFA requested confirmation in writing by 17th May 2024 from the College whether appropriate systems and controls are now in place to identify and handle transactions for which DfE approval is required. The response letter dated 25th April 2024 was sent to the ESFA and this was included in the Board meeting papers.

The Board received and noted the DfE Financial Statements Review 2022-23.

8. Policy Review

Following the two-week policy review window and feedback from governors on the policy presented, governors approved the following policy:

- Pay Determination Framework

9. Any Other Items of Urgent Business

- None

The meeting closed at 7.25pm

A handwritten signature in black ink, appearing to be 'S. H. 2f', located at the bottom right of the page next to the 'Signed:' label.

Board Meetings

Actions Arising

Date of Meeting: 21st May 2024

Minute Ref	Action	Responsible Officer	Status & Deadline
2.1	<u>Removal of Vicky McDermott as a Governor</u> DA will write to VM to notify her of the decision to remove her from her Governor role	Corporation Chair	<u>Complete</u> 22 May 2024
2.1	<u>Finance and Resources Committee</u> The introduction of a Finance and Resources Committee will be an item for the July Board.	Head of Governance	<u>Complete</u> 9 July 2024
2.1	<u>Vice Chair / Senior Independent Governor</u> The role descriptions for the SIG and Vice Chair will be circulated for consideration by Governors. Nominations will be sought at the July Board.	Head of Governance	<u>Complete</u> 22 May 2024 – circulated. 9 July 2024 for nominations
2.2	<u>Student Governors</u> The Head of Governance will advertise and seek to recruit two suitable Student Governors.	Head of Governance	September 2024
4.1	<u>MP Visits</u> SE to contact Liz Twist / Bridget Phillipson Offices to arrange a visit to the College.	Deputy Principal	24 th May 2024 Deferred – election has delayed this.
5.1	<u>Board Reports</u> CT agreed to consider how progress made against actions in the Accountability Agreement can be incorporated into his regular Board reports.	Principal and CEO	<u>Complete</u> 24 th May 2024 Considered – CT will include in future reports to Board.
6.1	<u>Critical Incident Procedures</u> DW to make contact with DM with regards to the critical incident policy and to gather his thoughts on the College's approach.	Director of Estates and Facilities.	<u>Complete</u> 7 th June 2024 Contact made.
6.1	<u>Lead Governor – Health and Safety</u> Consider the introduction of a Lead Governor for Health and Safety.	Head of Governance	<u>Complete</u> 9 July 2024 S&G considered.

Date of Meeting: 26th March 2024

Minute Ref	Action	Responsible Officer	Status & Deadline
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7.1	<u>2024-25 Business Cycle</u> The Head of Governance will send the draft Business Cycle to SJ.	Head of Governance	<u>Complete</u> - 2 April 2024
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Date of Meeting: 27th February 2024

Minute Ref	Action	Responsible Officer	Status & Deadline
7.2	<u>T-Level Capital Programme Reports</u> Regular reports will be provided to the Board by the Interim Vice Principal – Finance on progress made towards the implementation of the College’s T-Level capital programme.	Interim VP - Finance	<u>Ongoing</u> March to September 2024



Date of Meeting: 26 September 2023

Minute Ref	Action	Responsible Officer	Status & Deadline
5.1	<u>Financial Planning</u> Formulate a longer-term financial plan from 2024-25 onwards (three years up to the end of July 2027) that is aligned to the strategic plan.	Interim VP - Finance	<u>Ongoing</u> 21 st May 2024 Board meeting
7.3	<u>Risk Management Policy</u> Develop a new risk management policy and approach to the management of risk at the College.	Interim VP - Finance	<u>Ongoing</u> Deadline to be agreed at the July Board meeting
8.1	<u>Future Policy Review</u> Implement track changes for future policy reviews, allowing Governors to see the key changes being made.	Principal and Head of Governance	<u>Ongoing</u>

Date of Meeting: 11 July 2023

Minute Ref	Action	Responsible Officer	Status & Deadline
5.2	<u>Board Away Day</u> The financial performance and profitability of the curriculum will be an item for the next Board Away Day.	Principal / Chair	<u>Ongoing</u> 11 th June 2024

