

## **Minutes of the Corporation Meeting Held at 3.45pm on 23 July 2024**

Present: Shahalam Ali (left at 6.30pm), Prue Amner (joined at 4pm), Liz Byrne (via Teams), Huw Chapman (left at 6.35pm), Mark Cooper, Ashley Cullen (via Teams), Alex Dartmouth, Tim Jackson, Anne Murphy, Rob Nitsch (Chair), Katy Quinn (Principal & CEO), Mike Stoneham & Pauline Tiller.

Apologies: Noodles Bainbridge (student governor), Naomi Beer (staff governor), Graham Goddard, Tennant Hayter (student governor), Lyndsey Mason (staff governor), Shirley Nellthorpe & Liz Rix.

In Attendance: Matt Phelps Deputy CEO & Deputy Principal Curriculum & Quality  
Paola Schweitzer Director of Governance  
Maria Vetrone COO

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### **Minutes**

#### **269 Attendance and Participation**

Noodles Bainbridge, Naomi Beer, Graham Goddard, Tennant Hayter, Lyndsey Mason, Shirley Nellthorpe & Liz Rix sent their apologies.

#### **270 Declarations of Interest**

There were no declarations of interest.

#### **271 Minutes**

The minutes of the Corporation meeting held on 26 March 2024 and the Special Corporation meeting held on 03 June 2024 were **Agreed** as correct records.

#### **272 Matters Arising**

Governors **Noted** that except for one action, all matters arising were complete or on the agenda. The outstanding action concerned dissolving Highbury College (Nigeria) Ltd and it was acknowledged that the COO was dealing with DfE with regard to completing the action.

#### **273 Chair's Update**

The focus of the meeting was to approve the budget and, in the closed session, think about the future of the College. He thanked Katy for her comprehensive report noting that fantastic progress had been made but there remained some risks. He noted the College's strengthening relationship with Portsmouth City Council (PCC).

#### **274 Principal & CEO's Report (paper 633/24/C)**

The report updated governors on recent College activity and developments and progress towards meeting the strategic goals. The College had recently received formal confirmation that it was no longer in intervention and that the Financial Notice to Improve (FNTI) would be lifted. The College was therefore in Post-Intervention

Monitoring & Support (PIMS) and would be monitored against an action plan (to be circulated to governors). The pace and impact of work to drive up quality improvement had accelerated, and progress had been validated by independent consultants who recently concluded that if the College continued its current trajectory, it was on target to achieve an Ofsted *Good* judgement. In response to a question, Katy outlined a raft of changes to improve tutorials and confirmed they were now an integral part of the lesson observation programme. Anne congratulated the College on receiving Turing funding and asked if management were confident the trips would be a success for students. Katy believed so, confirming detailed research had been undertaken and the College had chosen to work with an experienced travel company. Following a rigorous recruitment process, Emily Pountney had been appointed the new cross-College Deputy Principal - Quality of Education & Digital Innovation. Mike noted the increasing numbers of young people who were at risk of becoming NEETs in 2024/25 and welcomed the College's flexibility in increasing entry and level 1 provision. Rob thanked Katy for her informative report, suggesting it was used as a means of communicating College activity more widely. Governors **Noted** the Principal & CEO's report.

#### 275 Corporate Dashboard (paper 634/24/C)

The dashboard reported progress against the strategic goals' KPIs. The final 2023/24 outturn position would be brought to Corporation in October, at which point the 2024/25 targets would be finalised and agreed. Governors sought clarification about strategic goal 4 and access to HE which had not done as well as expected. Tim noted that attendance was RAG rated red and asked how the College was addressing this sector-wide challenge. Matt responded that attendance was a constant focus and there was a raft of new/extended initiatives to identify and support students in a holistic and timely way. 85% was the sector average and a reasonable target. Governors were assured of progress to date and **Noted** the corporate dashboard.

#### 276 Learning & Quality (L&Q) Committee, 19 June 2024 (paper 635/24/C)

Prue noted that the digital strategy would be considered from a student/quality perspective as an L&Q standing agenda item. The Committee had received various updates including quality of education, curriculum plan and stakeholder voice, and had asked that quality of education data was circulated regularly to governors in the same way that the management accounts were circulated. Governors discussed this request and suggested that headline data was tailored to ensure it was meaningful to governors and was circulated quarterly or termly. Governors **Agreed** the HE Academic Appeals Procedure, Self-Assessment on Management & Governance and Self-Assessment on Guidance on Consumer Protection Law and **Noted** the Learning & Quality Committee 19 June 2024 minutes.

#### 277 Audit Committee, 11 June 2024 (paper 636/24/C)

Pauline drew governors' attention to the weakest of the year's internal audits: staff utilisation, noting that recommendations were due to be implemented by 31 July 2024. The Committee had undertaken a deep dive on HR, one of the five significant/business critical risks in the strategic risk register. Governors welcomed the fact that Audit Committee was undertaking deep dives (and were invited to suggest other areas for exploration) and agreed that the outcome of these discussions would continue to be reported to Corporation through the minutes. Governors **Agreed** the Strategic Internal Audit Plan & Annual Internal Audit Plan 2024/25 (which was informed by the strategic risk register) and the External Audit Plan 2023/24 and **Noted** the Audit Committee 11 June 2024 minutes.

**278 Search & Governance (S&G) Committee, 13 May 2024 (paper 637/24/C)**

Mark highlighted the S&G discussion concerning the role of chairs in leading committees, with the broader membership comprising the appropriate expertise and noted that terms of reference had been amended accordingly. In response to question Mark provided assurance that the partially compliant areas under the former Code of Governance were being achieved. Governors

- **Agreed** Tim Jackson & Ashley Cullen serve a 2nd 4 year term of office & Tim serve a full 2 year term as Corporation Vice-Chair (until 31 December 2024).
- **Adopted** the FE Code of Good Governance
- **Agreed** the Governor & SPH Recruitment & Succession Planning Policy and Conflicts of Interests Policy
- **Confirmed** the Instrument & Articles of Government and Schedule of Delegation (unchanged)
- **Agreed** the revised Standing Orders and Committee Terms of Reference.
- **Noted** the Search & Governance Committee 13 May 2024 minutes, 2024/25 meeting schedule and business plan.

**279 Finance & Resources (F&R) Committee, 08 & 16 July 2024 (paper 638/24/C)**

F&R Committee had discussed the digital strategy and it was agreed that given its resource implications, F&R should have oversight of the strategy with other Committees retaining their interest in other components directly impacting their areas of accountability. F&R had discussed the ambition to achieve a 3% operating surplus to enable investment back into the College and noted this was not currently achievable due to the cost of leased properties. They suggested this was discussed at the Board Strategy Day in January 2025. Governors **Agreed** the 2024/25 Capital Bids & Capital Programme, Financial Regulations, Subcontracting Supply Chain Fees & Charging Policy and HE Student Protection Plan and HE Fees Policy & Refund and Compensation Policy and **Noted** the Finance & Resources Committee 08 July 2024 minutes.

**280 Health & Safety (H&S) External Review (paper 639/24/C)**

The College commissioned the external review to identify H&S weaknesses within the College. F&R Committee had considered the review in detail and recognised the challenges faced by the College. The Committee, supported by Graham as lead H&S governor, would have oversight of the detailed action plan. Maria believed the external consultant was well-placed to support the implementation of the action plan. Governors **Noted** the H&S external review.

**281 Feedback from 2023/24 Link Governor Visits (paper 640/24/C)**

Prue reported that in 2023/24 governors undertook over 100 visits, a significant increase on 2022/23. These visits enabled governors to triangulate information (thereby providing assurance) as well as the opportunity to use their skills, expertise and networks to enhance the College's performance and reputation. Prue encouraged all governors to observe SAR meetings and QRMs. S&G would consider amendments to the link governor scheme in the autumn (suggestions were invited) and Prue proposed the scheme was reviewed following inspection.

**282 Strategic Risk Register (paper 641/24/C)**

Governors **Noted** the strategic risk register, including the five significant/business critical net risks and the mitigating actions.

## 283 Management Accounts (paper 642/24/C)

Maria drew governors' attention to the headlines including the year to date (YTD) actuals which indicated an operating surplus of £302k (favourable to YTD budget by £1,210k) and the forecast outturn at 31 July 2024 which indicated an operating deficit of £923k (favourable to the full year budget by £552k). One of the College's most significant risks was Element 3 high needs funding and Rob asked what further action the College could take to expedite receipt of this funding from PCC. Mike assured governors that the matter was being given due regard by PCC and he hoped it would be resolved by the end of the month. Governors **Noted** the management accounts.

## 284 Budget 2024/25, One Year Forecast & Pay Review (paper 643/24/C)

Maria gave a PowerPoint presentation outlining the 2024/25 budget and one year forecast 2025/26 including pay review.

The 2024/25 budget comprised a total income of £36m and an operating deficit of £269k. Performance against the ESFA's KPIs showed *Good* financial health. EBITDA, a measure of profitability and efficiency, strengthened in the coming years but remained a weakness due to the high costs associated with the College's leased properties. Under the PIMS action plan the College was required to achieve the FEC benchmark of 25 cash days. The College had budgeted for an average of 26 cash days in 2024/25 with 23 cash days at 31 July 2025. Staff costs were 66.3% of income which compared reasonably well against the FEC benchmark of 65%. The 16 - 19 student target for was 3283. Capital expenditure would be £2.7m, of which nearly £1m was from the College's cash reserves, allocated across the strategic priorities. There was a discussion about the 2% pay award (in line with the sector average, although the AoC had yet to make a recommendation, with local colleges offering between 0% and 4%), in particular balancing the objective to be the employer of choice in Portsmouth and the region with reducing the operating deficit. Governors **Agreed** to review pay award affordability in December 2024. Governors noted the five key financial risks and their mitigating actions. The budget assumed growth in high needs numbers and Katy highlighted that the College had yet to receive PCC's high needs funding formula but if there was insufficient funding, there was a possibility the College would need to limit the number of high needs students. Mike assured governors he would do his utmost to ensure the matter was resolved satisfactorily. There were discussions about the importance of growing market share to compensate for future demographic decline, apprenticeship numbers which were up on the same point last year and the College's leased properties (it was suggested the latter was explored further at the Board Strategy Day in January 2025). The one year forecast for 2025/26 forecast showed an income of £37m and an operating surplus of £112k (a requirement of coming out of intervention and the FNTI was eliminating the operating deficit in 2025/26). Having scrutinised the College budget and forecast, governors **Approved** the College budget 2024/25 and one year forecast 2025/26 including 2% pay award.

**Minutes 285 – 288 were confidential.**

The meeting ended at 7.15pm.