

Minutes of the Corporation Meeting Held at 3.35pm on 10 December 2024

Present: Shahalam Ali, Prue Amner, Huw Chapman, Mark Cooper, Ashley Cullen (Teams), Alex Dartmouth, Mariia-Odena Hodell (student governor, arrived at 4.30pm), Tim Jackson, Aston Muff (student governor), Anne Murphy, Shirley Nellthorpe, Rob Nitsch (Chair, Teams), Katy Quinn (Principal & CEO) & Pauline Tiller.

Apologies: Naomi Beer and Lyndsey Mason (staff governors), Liz Byrne and Mike Stoneham

In Attendance: Chris Mantel Alliotts (external auditors) (Minute 317)
Matt Phelps Deputy CEO & Deputy Principal Curriculum & Quality
Paola Schweitzer Director of Governance
Maria Vetrone COO

Minutes

301 Attendance and Participation

Rob welcomed Aston Muff, student governor, and stated that the second student governor, Mariia-Olena Hodell (Masha) would join the meeting shortly. Liz Rix had resigned as a governor (she was relocating back to her hometown). Naomi Beer and Lyndsey Mason (staff governors), Liz Byrne and Mike Stoneham sent their apologies.

302 Declarations of Interest

There were no declarations of interest.

303 Matters for Decision

The minutes from the meeting on 08 October 2024 were **Agreed** as a correct record.

304 Matters Arising

Minute 292/272: HC (Nigeria) Ltd was on track to be dissolved by 31 December 2024.
Minute 292/284: Budget 2024/25, One Year Forecast & Pay Review: Huw asked Maria to recheck the gender pay gap reporting to ensure the College was compliant.

305 Chair's Update

Rob welcomed governors, noting it had been a positive start to the academic year.

306 Principal & CEO's Report (paper 713/24/C)

The report summarised the excellent start to the 2024/25 academic year evidenced by strong external validation of the College's progress, achievement and successes. Katy thanked everyone who had been part of the process. Key points were:

- The College had exceeded its ambitious 16-19 curriculum growth target (101 above the curriculum plan) with exceptional in year growth funding of c£1m expected in spring 2025. 16-19 numbers had increased by 14% since merger.
- Securing an Ofsted judgement of *Good* at the full inspection in October 2024.

- The lifting of formal intervention in July 2024
- Improving financial performance against ESFA metrics including *Good* outturn for the second year and delivering an underlying surplus of £322K in 2023/24
- The launch to staff in September 2024 of the *Journey to Excellence* to develop College culture and service levels, strengthen curriculum USPs and ensure brilliant and consistent learning across the College.

There was a discussion about maths and English funding and teaching hour changes, poor T Level recruitment which had led to some T Levels not running in 2024/25 and ongoing branding activity to strengthen the College's commercial and employer activity. Matt gave a brief update on apprenticeship provision, noting that there was a great deal of business development activity and recruitment had increased in the first quarter of 2024/25 compared to the previous year but that it still represented a risk. Huw asked that apprenticeship data was broken down by quarter so governors could more easily monitor progress. The digital strategy, to be launched in January 2025, would lead to significant improvements to the quality of service delivery functions as well as more accessible and innovative teaching and learning. Although the launch had been delayed due to staff and resource constraints, a significant amount of work had already underway. A spotlight session for governors would be held before February half term 2025. Anne noted that the strategy looked comprehensive and well thought through with regards to training and asked how well it was being received and making a difference to leadership capacity. Katy stated that 80% of staff were very positive regarding the development opportunities with the remaining 20% less engaged. There was a discussion about the ongoing challenges in recruiting sufficiently qualified teaching and support staff and Maria confirmed that where increases to salaries were agreed, budget cost savings would be required. In response to a question, Katy stated that external delays to DBS checks had negatively impacted the onboarding of new staff and the College had recently agreed an alternative series of checks to temporarily circumvent this problem. Rob thanked Katy for the comprehensive and positive report, noting that the governing body needed to consider its journey to excellence. Having scrutinised the report and considered whether there were other strategic actions to be considered, governors **Noted** the autumn term 2024/25 report.

307 Ofsted Report (paper 714/24/C)

The report summarised the outcome of the Ofsted inspection including grades for overall effectiveness, key judgements and provision types as well as the feedback given to College nominees. The College scored *Good* in all areas except for Apprenticeships (*Requires Improvement*). The enhanced skills contribution secured a reasonable judgement, with four out of the five areas which were strong contribution. The inspectors frequently used the words *secure good* during feedback. Katy noted that it had been a rigorous process and the outcome was a testament to all staff. She personally thanked Matt, who had been the nominee and had done an excellent job. In response to a question, Matt confirmed that the Apprenticeships *Requires Improvement* judgement would not disallow the College from bidding for funding etc as it was the overall effectiveness grade that counted. Ofsted did not identify any unfamiliar issues and given the inspection judgements aligned completely with the College's self-assessment, governors could be assured that the self-assessment process was robust. Anne congratulated the College on the outcome and noted the huge amount of momentum required to achieve the *Good* judgement, asking how momentum would be sustained. Katy stated that work on the College's journey to excellence had begun in the summer term and launched to staff in September so whilst there was a moment of celebration, progress would continue.

Rob noted the excellent Ofsted outcome and how it sat alongside the financial improvements, thanking staff for their hard work. Having reviewed the report, governors **Noted** the outcome of the Ofsted inspection in October 2024.

308 PIMS Progress Update (paper 715/24/C)

Following the lifting of the Notice to Improve in July 2024, the College was now in Post Intervention Monitoring Support (PIMS) and had an agreed action plan with the DfE and FE Commissioner Team. Notable progress had already been made. It was anticipated the DfE would wish to see the College delivering against its 2024/25 budget, achieving a *Good* 2024/25 financial outturn and good 2025/26 enrolment before taking the College out of PIMS. In response to a question, Katy confirmed that the DfE had not asked anything further of the College. Tim confirmed that was likely to indicate the DfE were assured the College was making good progress. Governors **Noted** the PIMS progress update.

309 Corporate Dashboard (paper 716/24/C)

The corporate dashboard reported progress against the 2024/25 KPIs as at December 2024 and triangulated information in the risk register and Principal & CEO's report. Given that it was very early in the academic year, with some things only measurable towards the end of the year, there wasn't anything significant to report however there were some positive signs. Having scrutinised progress to date and having had the opportunity to seek assurance from the management team where there were concerns that actions were not in place to progress underperformance and/or declining KPI outcomes, governors **Noted** the corporate dashboard.

310 Finance & Resources Committee, 25 November 2024 (paper 717/24/C)

Tim outlined the main items discussed at F&R Committee's meeting, including scrutiny of the financial components of the 2023/24 financial statements and annual report (drawing governors' attention to the discussion captured in the minutes), management accounts and the capital programmes. The Committee had congratulated Maria and her team on managing the complex capital estates programme and had been pleased to see capital investment securing energy efficiencies. The Committee had discussed H&S report and were assured that College management were reasonably satisfied that the College was meeting its H&S compliance obligations. Governors **Agreed** the City of Portsmouth College Enterprises Ltd's draft audited 2023/24 financial statements and the associated letter of comfort and the FE Fees Policy, and **Noted** the F&R Committee's 25 November 2024 minutes.

311 Audit Committee, 26 November 2024 (paper 718/24/C)

Pauline outlined the main items discussed at Audit Committee's meeting including scrutiny of the College Group's statement of corporate governance and internal control of the 2023/24 financial statements, Audit Committee's Annual Report to Corporation and the strategic risk register. The external auditors had complimented Maria and her team on a smooth audit. The Committee had discussed the whistleblowing policy which would undergo more substantial review prior to reconsideration by the Committee and then Corporation. Governors **Agreed** the Whistleblowing Policy, subject to a thorough review and return to the next meeting of the Audit Committee and **Noted** Audit Committee's 26 November 2024 minutes.

312 Learning & Quality Committee, 03 December 2024 (paper 719/24/C)

Prue outlined the main items discussed at L&Q Committee's last meeting, stating that it was the most important L&Q meeting of the year as it considered the quality of education in 2023/24 (through the self-assessment report) and quality improvements for 2024/25 (through the quality improvement plan). Governors discussed the Ofsted report, the quality of education and the careers report where they noted that the College had achieved 100% of the Gatsby benchmarks and improved its destination data gathering. Governors **Agreed** the Safeguarding & Prevent Annual Report, Children & Vulnerable Adults Safeguarding Policy, EED&I Policy, Comments, Complaints & Compliments Policy (subject to further non substantive amendments) and Freedom of Speech & External Speaker/Visitor Policy and **Noted** L&Q Committee's 03 December 2024 minutes. Governors noted that policies would be separated from procedures as they were updated and would reference governors as appropriate.

Prue encouraged governors to continue with their link visits and to focus on the areas for development identified by Ofsted and in the QIP namely: staffing, apprenticeships, employers informing the curriculum, work experience and attendance & retention.

313 Strategic Risk Register (paper 721/24/C)

The report set out the latest strategic risk register, movements in net risk and mitigating management actions following the College's Strategic Risk Management Board meeting in November (observed by Ashley and Shirley). The register contained 28 strategic risks, two of which were *significant/business critical* and 10 *high* net. This represented an increase in net risks but a decrease in *significant/business critical* and *high* risks, largely driven by the recent Ofsted inspection. The two significant/business critical net risks were: *failure to recruit and/or retain suitably qualified professional and teaching staff* and *failure to properly manage Apprenticeships provision*. Maria highlighted the board assurance map incorporated into the register recording key sources of assurance along the three lines of defence model.

Anne challenged the reduction in the estates risk from *significant/business critical* to *high*, given that there was no obvious solution to exiting the North Harbour Campus. Maria stated that the de-escalated risk concerned achieving and maintaining a fit for purpose estate, something that was being addressed through investment (possible now the College was starting to turn a surplus) and making the best use of the space by maximising student numbers. Future reviews of the register were likely to see the introduction of a risk concerning estates strategy which would include North Harbour. There was a discussion about the buoyancy of the commercial property market (Alex offered to support Maria) and Shirley suggested alternative funding streams to secure capital funding. Having scrutinised the report with attention to changes in risk definitions, risk assessments, movement of net risks and associated commentary and actions, governors **Agreed** the strategic risk register.

314 Management Accounts (PO2 October 2024) (paper 722/24/C)

The management accounts included year to date (YTD) actuals as at 31 October 2024 and indicated a break-even position favourable to YTD budget by £357k. The forecast final outturn at 31 July 2024 indicated an operating deficit of £170k, favourable to the full year budget by £98k. The total forecast outturn pay expenditure was aligned with the budget, but outturn non-pay expenditure was adverse to budget by £309k mainly due to additional expenditure driven by higher student numbers. The College's

financial health was graded *Good* and was expected to remain so in 2024/25. Cash at bank at 31 October 2024 was £5.79m (51 cash days) and was forecast to range between 48 to 35 cash days between November 2024 and June 2025. The increase in income due to growth in student numbers was offset by shortfalls in apprenticeships, full cost, HE and Advance Learner Loans. Cash days would continue to require careful management. There was a brief discussion about the review of the College's LGPS contributions which would take place next year and was anticipated to reduce costs. Alex sought clarification concerning debtors, as raised at the last F&R meeting, and Maria confirmed that whilst the Element 3 High Needs funding was in the accounts, the cash had not yet been received from Portsmouth City Council. Having scrutinised the College's financial position particularly the KPIs, adverse variances and operating deficits, forecasts to year end, emerging financial risks, governors **Noted** the P02 October 2024 management accounts.

315 Use of College Seal (paper 723/24/C)

Governors **Noted** that the College seal was applied to a document renewing the lease at Buckingham Court, 49 Arundel Street (Arundel Campus) on 10 October 2024 and was signed by Rob and Tim as Chair and Vice-Chair of Corporation.

316 Audit Committee Annual Report to Corporation including External audit Management Report (paper 724/24/C)

The Committee's annual report summarised its activities in 2023/24 and concluded that, based on its work and reports received over the year, the Corporation's assurance arrangements, framework for safeguarding, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets were adequate and effective. Anne asked what lessons had been learnt following the cyber event and how the risks of future events had been mitigated. Katy stated that the College had learnt the importance of patch management and the oversight of patch management as well as investment (without the £1.5m spent on IT infrastructure prior to the event, the outcome would have been much worse). The College's response had been described as best practice by JISC and an independent management investigation had made recommendations which were being monitored by Audit Committee. Having scrutinised the report, governors **Noted** the Audit Committee's Annual Report to Corporation.

317 Financial Statements 2023/24 & Letters of Representation (paper 725/24/C)

Chris Mantel from Alliotts (external auditors) joined the meeting.

Corporation was required to submit a signed copy of the audited annual report and financial statements including Corporation's statement of regularity, propriety and compliance and the reporting accountant's assurance report on regularity to the ESFA by 31 December 2024.

Maria summarised that the College's financial metrics had improved significantly over the last twelve months culminating in a strong statement and balance sheet. Chris agreed, stating it had been a clean audit without any significant issues. Shahalam asked if there were any items needing immediate attention and if Alliotts had noted any improvements from the previous year. Mike responded that the audit had not identified anything needing immediate attention and that there had been improvements, although the College needed to build up its cash position which was relatively weak for

its size. Shahalam noted that it was one of the cleanest audits he'd seen in a while and congratulated the College. In response to a brief conversation concerning the reduction in greenhouse emissions, Aston asked what green IT measures the College was undertaking. Maria stated this was part of the College's sustainability strategy and action plan and invited him to join the student forum to explore this further. Anne commended the nature of the report and how it told the story of the College. Having scrutinised the report, governors **Agreed** the audited 2023/24 College Group financial statements, governance statements and the audit opinions.

318 Self-Assessment Report 2023/24 & Quality Improvement Plan 2024/25 (paper 726/24/C)

The 2023/24 Self-Assessment Report (SAR) identified areas of strength and development in all areas of provision and shaped the Quality Improvement Plan (QIP) which identified actions to bring about improvement in 2024/25. Some 2023/24 QIP actions had been carried over because further progress was required to ensure sustainable improvements. The QIP had been informed by feedback from the Ofsted inspection. Governors **Agreed** the 2023/24 SAR and 2024/25 QIP.

319 Pay Review 2024/25 (paper 727/24/C)

The College had budgeted for a 2% pay award in 2024/25 and at the July 2024 meeting, Corporation had agreed to return to the matter after the AoC had published their recommendation. The AoC had now published their recommendation for 2024/25: 2.5% or £750 whichever was greater. This was above inflation and was more than the increase in funding most colleges had received this year. The College had modelled the recommendation and was able to afford it with effect from 01 January 2025. One governor noted this compared favourably with industry and there was a brief discussion about the 5.5% teachers' pay award, particularly given the difference in salaries in FE and schools. Rob asked if it was possible to offer a higher award. Katy stated this was the best the College could do, particularly considering its cash vulnerability. Maria agreed. Aston noted how hard teachers worked to support students. Governors **Agreed** to award the AoC recommended pay award of 2.5% or £750 whichever was greater in 2024/25 and **Noted** that, as previously agreed, this would apply to senior postholders.

Rob thanked the Executive Leadership Team as well as staff, students and governors for a successful 2023/24 and start to the 2024/25 academic year.

Aston and Masha left the meeting.

320 Confidential Minutes & Matters Arising (without staff & student governors present)

The confidential minutes from the meeting on 08 October 2024 were **Agreed** as a correct record. Governors **Noted** the matters arising.

Minute 321 was confidential.

The meeting ended at 6.25pm.