

**THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE
CONFIRMED MINUTES OF THE GOVERNING BODY STRATEGIC PLANNING SESSION – 09.05.2025**

PRESENT: R Davies (CG/Chair), R Anderson (CG), S Brown (CO), D Budd (CO), J Castor (CG), A Coleman-Cooke (CO), M Gaze (CG), M Lamb (CG), Z Lewis (Principal/Chief Executive), D Lusardi (CG), P Lynn (CG), O Manners (Student Governor), S Mirsalehi (CG), A Pajura-Jaszczak (Staff Gov), A Shaffi (CO), P Sharp (CG), D Still (Staff Gov), I Wallace (CG), M Wells (CG).

OFFICERS: J Barwell (AP), P Blewitt (AP), Z Foster (Head of Governance), R Gray (AP), S Langstaff (VP), S Marshall (VP), P Moody (Exec. Dir.), K Parkinson (VP), T Pierce (Group Dir.), G Potts (VP), B Robinson (DP), O Rodley (VP), P Stone (Dir.), P Watt (AP), C Yule (AP).

IN ATTENDANCE: Emma Meredith (AoC Director of Skills, Policy and Global Engagement) for Item 3

KEY:	CG College Governor	CO Co-opted Governor	DP Deputy Principal
	VP Vice Principal	Clerk to the Corporation	AP – Assistant Principal

1. Apologies for Absence

A Adamson (VP), I Anwar (CG), A Bradford (Student Council VP), C Cannon (CO), T Edgcombe (Student Governor), A Hassack (CG), M McClintock (CG), J Tait (CG), I Wright (CG), L Woods (CG).

2. Declarations of Interest – R Anderson in respect of any LSIP/LSIF related discussion.

Z Lewis gave a brief introduction to the afternoon.

3. Strategic Overview of the FE Sector

E Meredith gave a comprehensive overview of the FE sector which focused on the following areas:

- The role of AoC and an overview of colleges throughout the UK
- Government Strategies and reforms including an outline of the 'mission led government' and resulting AoC 'mission accepted' report; and the various/many strategies (and associated policies) which were impacting on post 16 (Spending Review, Get Britain Working, Industrial Strategy, Curriculum and Assessment Review (CAR), Devolution, National Skills Strategy, Skills England, Growth and Skills Levy/Lifelong Learning Entitlement and such things as the immigration white paper, infrastructure strategy and international education strategy) and how the AoC and colleges could be part of the development/influencing of these.

Action by E Meredith to send through the AoC mission accepted report to Governors.

Discussion and questions centred around: how the merged jobs and careers service would fit together and where impartial guidance would sit in such a structure; and how the Youth Guarantee and availability of jobs with lower level skills would work; Post 16 strategy (including HE) or National Skills Strategy focus; the importance for the College of the CAR review with 2/3 of students being 16-19 (e.g. planning, funding); the need for the Industrial Strategy to be backed by job creation; NEETs; work placement development and the lag between the announcement (investment in construction skills) and detail which was making engagement with employers at this stage difficult (but which had the potential for some innovative approaches); and the trickling down of national strategy to local and college specific approaches.

- Funding Context – E Meredith drew particular attention to the AoC spending review proposals and of the four priorities - spending on 16-18 to reduce NEETs and provide skills; adult skills for growth sectors; skills to help people into work and college pay, capital, VAT refunds and systems improvements, noting that the government's comprehensive spending review was due in June. She also detailed the general UK context and 2025-2026 revenue and capital funding for colleges.
- Governance Updates – attention was drawn to the updated AoC Code of Good Governance and DfE governance updates namely: NCR Transactions Guidance; audit framework, External Governance reviews, FE and Sixth Form governance guide and new Charity Commission guidance and associated new publications on trustee payments. She also drew attention to the AoC Governors' Summit and closed on the priorities for colleges and governors.

Final discussion included: the absolute requirement for communication and transparency; legacy planning and potential payment of Chairs; and the need to continue to make the College an inclusive and safe place, the more difficult with the decrease to ESOL funding.

4. Future Planning for Strategic Plan 2026-2030

Z Lewis reminded governors of the key tenets of the current plan which was due to come to an end this year.

She also outlined some key managerial changes including movement for S Langstaff, A Waller Amos, S Donnison and L Boyd and gave an update to replacements and interviews. To give greater resilience to the Finance team, an additional senior Finance role had been recruited to with M Wilson starting at the end of June.

The proposal for the Strategic Plan Review was then considered specifically:

- The current uncertain climate (awaiting Post 16 strategy, Skills England, Spending review outcomes and a new Chair for the Governing Body) which could benefit giving the current plan some additional time
- The key dates should the plan be extended a year, which would allow for full consultation with external stakeholders in the Autumn, a Jan/Feb planning session with Governors, draft plan in Spring with the final plan (2026-2031) ready for approval and implementation by July 2026.

Governors fully endorsed the approach and **approved** the current Strategic Plan to be extended until 31 July 2026.

5. Our Partners

DfE Strategic Conversation - Z Lewis, R Davies and P Lynn gave governors an appraisal of the very supportive and constructive DfE annual Strategic Conversation which had taken place this week and drew out key points of interest for governors including: the high regard held by the DfE and FE Commissioner's Office (with N Duncan, the Deputy Commissioner being in attendance at the meeting) for the College; Project S initiative and flexibilities; difficult funding over the coming 12 months+; acknowledgement of the positive collaboration through FE+; value of the College's Accountability Statement which was considered an exemplary model; and recognition of the fact the College was 1 of 6 colleges with increased progress within apprenticeships.

Our Partners – Z Lewis highlighted the close work with external partners which was both helping to shape policy and influence Government priorities, was being strongly recognized as highly and successfully collaborative both locally (FE+, North East IoT) and nationally (ETF EEF, OU and the College Collective), and ensured the College was adapting its offer to meet local needs and national priorities.

5.1 Our Resilience and Our Team

Z Lewis reminded governors of the various factors (including unusual enrolment and in-year lag issue) which had resulted in a recalibration of the budget pre-Christmas which led to a delay in making any pay rise recommendations with Governors instead approving '3% for all staff, backdated to 1st January, if settlement information provided in March is within £200K of revenue assumptions and £500k of capital assumptions'. She confirmed there was some good news, and governors would consider these through workshop based activity in the session.

Financial/Budget Update -S Langstaff took Governors through a table which considered the points of uncertainty in the budget, the revised forecast and an update on progress/areas of confirmation which left 2024-2025 still financially tight. However, from 2025-2026 onwards she detailed a significantly stronger financial position, with increased funding award, teachers pension grant, T Levels increase 5%, apprenticeship increases (funding, volume and retention). There still remained uncertainty with the lagged funding policy, NI funding, and cuts to ESOL and growth via TVCA therefore the budget remained prudent.

E Meredith left the meeting at 2.40pm

Z Lewis detailed some positive movements with the new DfE capital grant for the sector and a plan to use this partially for the SALIX match funding; Outwood/DfE compensation for the lease extension which was at the late stages; and potential for some further site lease investment.

The budget impact of all key areas was shown for governors, giving a break-even position for this year albeit detailing a much improved picture for next year. The budget did assume that the Pay Award date was moved to August 2026 (formerly 1 January) going forward at a 3% rate but also assumes a backdated pay award to January 2025 of 3% for the current year. The Financial Health position was also detailed (good' for this year with 'outstanding' anticipated thereafter), as was the strategy to increase cash days over the course of the plan.

Considering the information shared, Governors' questions and discussion included: staff knowledge of the suggestion to move the pay award date to August 2026 where it was confirmed there would be a recommendation that this was the compromise of the pay award for the current year to the JCNC in the first instance; confirmation on integrity of fixed and forecasted figures; clarification on Prissick; exam fees assessment and ongoing work to ensure the accuracy; Salix and impact on the budget (with no assumption of savings at this stage); the variation of cash days throughout the year; and vacancies savings not yet realized within the plan.

S Langstaff took Governors through the risks and opportunities for the remainder of 2024-2025 in which it was clear that there was a fine line between the two, although more positives than risks overall. She also detailed the risks and opportunities for 2025-2026 where the likelihood of most of the opportunities was high against a mix of low and medium levels within the risks.

Draft Capital Plans

Z Lewis detailed the total capital spend over the next four years including grants and College contributions and gave a brief overview of the various plans which were core capital IT and estates, expansion projects, curriculum based , and potentially a TTE mezzanine.

S Marshall went through the various capital projects in greater detail.

Discussion followed on student offers for TTE (which had been oversubscribed this year) with Z Lewis detailed the changes to the admissions letters which no longer guaranteed a place and the potential impact of that/how this was being managed. There was agreement that the IAG (Information, Advice and Guidance) was crucial for placing students in the right courses, amidst the challenges of limited space and staff.

The Salix project was also discussed including the expense of the heat pumps and how this would be offset by maximization of solar panel use. S Marshall confirmed that by the end of the project there should be £100K saving.

The external Pay Context was detailed for Governors with particular note that the School Teachers Review Body (STRB) now having to be cognizant of FE, and who were expecting to recommend 4% for teachers (against a government factoring of 2.8%). Z Lewis also detailed key elements of the National Audit Office report which showed that FE teachers were paid £10K less than school teachers and projected figures for FE teachers with the demographic uplift and T Levels by 2028/2029.

Pay Award for Approval

Z Lewis outlined the savings programme underway in the College. She briefly detailed the pay recommendation for consideration, which if approved, would go to JCNC next week, followed by a staff announcement immediately after.

HR Update

K Parkinson gave an overview of the Staff Wellbeing Day on 11 April, and the receipt of the Business IQ Award for Health and Wellbeing for Staff received by the College.

She also detailed the main focusses for the HR team in the forthcoming months which included some remaining structural changes, recruitment, further system development, and new training and development of the College's people managers.

Governors' questions and comments included: the overall low level of the pay award and how this compared locally, with confirmation that awards were similar elsewhere and that the current financial situation for the College only allowed for 3%, the possibility of extending pay awards beyond 3% in the future including looking at non-consolidated options where appropriate; the number of redundancies were confirmed and how these split across the areas/legal entities of the College; anticipated student numbers and a reminder that there would be no reliance on lagged funding for those additional numbers; the date of Russell Street coming over to the College for use was confirmed as August 2027 and Z Lewis outlined the extension of 2QS in the meantime (whilst recognising this may not be sufficient in future years); and the impact behind the reduction in ESOL funding (by TVCA) for the College and of ongoing lobbying on this, which Governors discussed in some detail.

Governors, in workshop groups, then discussed the presentation slides, and assumptions/risks documents ahead of formal approval.

The 2025 Pay Recommendation detailed below was then **approved** by all members of the Governing Body present:

- 3% pay award for all staff backdated to 1st January 2025 (paid in June)
- Those receiving National Minimum Wage (NMW) uplift in April to receive increase January – March then NMW from April (as greater than 3%)
- Move pay award date to 1st August in future years (i.e. from 1 August 2026)
- To leave the increment award at as 1st January

Post Meeting Update – on 28 May 2025, Governors **approved** an additional award via Written Resolution, of 1% from 1st August 2025, as a result of the improved financial position for next year (confirmed NI reimbursement and Post 16 sector additional funds to support the 4% pay increase, as recommended by the STRB), and also approved the pausing of a number of redundancies.

5.2 Accountability Statement 2025-2026

O Rodley reminded Governors of the DfE requirement for an annual accountability statement and review of targets. He then presented progress on 2024-2025 targets with all targets projected to be achieved except for the College failing slightly short of its T Level student numbers during the year.

For 2025-2026, there had been increases to some targets and expectations which were detailed including: 16-19 – addition of NEETs learners; and scholarship pathways; Adults – free courses for jobs (subject to funding); Apprenticeships – increase in quality outcomes; targets tweaked in High Needs and addition of new Government priorities.

Governors then discussed the 2025-2026 proposed targets in groups and gave some minor points of adjustment, with the Accountability Statement for 2025-2026 then being formally **approved**, subject to those adjustments.

Benchmarking Information

O Rodley took Governors through the national benchmarking data where all provisions of the College had performed well. Particular attention was drawn to Apprenticeship Achievement, which was number 1 in the country

(with the North East region doing particularly well more widely). He outlined additional successes with English and Maths, and informed Governors of the variation of how DfE and the College currently tracked destination data.

A Level and Applied General progress/value added figures were shown for the region's colleges.

A discussion followed on whether the College should have better progress in light of students generally coming in with lower GCSE scores. It was confirmed that this was a small percentage of the overall with solid data and lots of intervention this year all pointing towards improvements with value added across the board.

In year benchmarked data was outlined which showed that retention was In line with the sector and that the College was green across all measures of the Apprenticeship Accountability Framework.

DfE Provider Dashboard

O Rodley confirmed that this new tool would be bringing published performance data on learner outcomes. He drew particular attention to the skills measure which was a complex linear regression model; and national skills priorities which mapped all courses and includes all learning aims (including English and Maths), and of potential concerns with both which were being queried.

5.3 Our Commitment

G Potts gave a comprehensive update on Our Commitment which included: Place-based Strategy with partners such as AV Dawson, Thirteen Group, PD Ports and TEWV NHS; Middlesbrough Council partnerships for work with NEETs and wider Post 16 education in Middlesbrough; TVCA with the local growth plan, and Net Zero Industry Scholarships of which there would be 36 here (with 250 applicants).

B Robinson gave an LSIF curriculum update highlighting the impact of the various qualifications (including commercial, retrofit and welding) enabling the filling of lower level jobs in the area. The College was looking forward to LSIF phase 2 and further local collaboration which had been an essential part of the success of the LSIF.

He also gave an update in relation to the North East Institute of Technology led by New College Durham, which was going through relicensing until 2028, with Hartlepool College likely to join. In addition, there was the possibility of a Technical Excellence College in the region.

6. Appointment to the Search and Governance Committee Recommendation

P Lynn, on behalf of the Search and Governance Committee, briefly outlined the Chair Nomination process which had resulted in a single nomination for L Woods. She reminded Governors that at the March meeting, approval had been given to the early addition to the incoming Chair (should this be a single nomination/result of elective process) onto the Search and Governance Committee, and involvement in other appropriate activities during the summer term, ahead of formal appointment at the July meeting, to allow for early shadowing, mentoring and support.

The Governing Body approved the recommendation that L Woods become a member of the Search and Governance Committee, and involvement with other relevant activities as deemed appropriate, with immediate effect.

7. Matters Not for Publication

None recorded.

8. Date and Time of Meetings Summer Term 2025

- Curriculum Strategy Meeting – Monday 9 June 2025 5-8pm
- Governing Body (Ordinary) – Thursday 10 July 2025 5-8pm

9. Any other Business – none taken

The meeting ended at 5.10pm