

THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE
CONFIRMED MINUTES OF CORPORATE SERVICES MEETING 03.12.2025

PRESENT: J Castor (Chair, CG), R Davies (CG) via Teams, Z Lewis (Principal/Chief Executive), D Lusardi (CG), A Pajura-Jaszczak (Staff Governor) via Teams, P Sharp (CG).

OFFICERS: Z Foster (Head of Governance), P Moody (Exec. Dir), K Parkinson (VP), G Potts (VP), S Marshall (VP), O Rodley (VP) via Teams, B Robinson (Deputy Principal), M Wilson (Exec. Dir.).

For Item 10: R Shuttleworth (CTO) via Teams

For Item 11: P Blewitt (AP), A Cummins-Macleod (Exec.Dir.), M Telling (Dir.).

Key: CG – College Governor CO – Co-opted Governor VP – Vice Principal
CTO – Chief Technology Officer AP – Assistant Principal Exec Dir – Executive Director
Dir. – Director

1. Apologies for Absence

I Anwar (CG), S Brown (CO), S Mirsalehi (CG)

The recording of the meeting was noted by the Committee so that the sound etc. ahead of the March meeting which would be recorded for the External Reviewer.

2. Declarations of Interest – no declarations were noted.

3. Unconfirmed Minutes of 07.07.2025 – were approved as a correct record.

4. Matters Arising – all items were resolved or in hand as outlined within the recording sheet.

5. Strategic Overview

5.1 - Principal/Chief Executive's Verbal Overview and Risk Summary

Z Lewis trialled an opening presentation (as for Governors in October) for Committee review.

She detailed the key risks relating to the Committee including:

- Financial position and cash days (risk reducing)
- Health and Safety (risk reducing)
- Finance/Registry (reporting, capacity and control) including extra capacity (additional role) and power bi MS support
- Staff recruitment and retention and impact of quals reform, investment decisions and pay
- Estates notably the stretch of the team in light of the sustainability projects

She then drew attention to the Business Support SARs (Item 7) which, excepting Finance, were solidly good or outstanding across the board.

The recently commissioned external benchmarking was then highlighted noting some key early findings:

- Overall, the College was more efficient than the sector average
- The College was higher than average for IT licences, exams and building maintenance
- The College was lower than average for ALS, finance, admissions and energy costs

More detailed analysis would be undertaken with a full report at February Strategic Planning which would be used to inform decision making.

It was confirmed that the benchmarking was against approx. 40 other colleges, albeit a varied cohort which did not account for the mix and balance of provision between colleges.

Z Lewis then introduced a proposal in relation to a more slides based approach for the meetings, giving examples used in a recent CMT meeting.

Initial feedback from Governors included that: reports were useful and that the slides were also helpful in framing the focus; that it should always be v clear what the requirements on Governors were within both slides and reports; confirmation on oversight of the risk registers (via Governing Body meetings) in respect of committee and GB; the value of good executive summaries; and that some governors liked the additional detail within main reports, concluding that a mix of both might be an appropriate way forward.

Action for Z Foster to circulate the slides to Committee members post meeting with feedback to J Castor.

5.2 Strategic Projects Update

S Marshall gave an update to her report including the latest on the land lease agreement with Middlesbrough Council (releasing £1.6M payment) where there were complications with an overage clause but with an expected resolution via a deed of variation ahead of Christmas; and an update in respect of the PCA (Pre Construction Activities) agreement with Morgan Sindall in respect of the TTE Mezzanine works. She confirmed that no award of tender would be given ahead of monies being received (and that governors would be informed accordingly).

Clarification on the whether the lease funding payment was in the forecast with confirmation this would appear in the January accounts.

S Marshall then gave an update for Solar for Schools, Salix and EV points government backed scheme.

Clarification was given in respect of mileage costs for electric vehicles with the latest HMRC changes.

5.3 DfE Financial Assessment Information

C Whitehead confirmed the latest DfE Financial Health letter received which noted the grade for the College as Good for 2024-2025 and Outstanding (forecast) for 2025-2026.

The Committee discussed the potential impact of the receipt of the summer grants with confirmation that these were deducted from the calculations thereby not impacting on the financial health status

6. Finance Matters 2025-2026

6.1 Update on Budget and Five Year Financial Plan

C Whitehead drew out the key highlights of the prudent plan. She confirmed a good and improving financial position with expected improvement on the current plan with in-year growth, release of contingency, bootcamp projects and likely capital grants with further details and plans for investments coming to February Strategic planning.

Cash position clarifications (2024-25) were given. There was a request that cash days be split into capital grants and Outwood with confirmation given of £2.8M and £2M respectively. It was explained that greater detail would be known in respect of cash days (with and without grants) by February Strategic Planning and there would be clarity on the separate lines at that point, alongside a suggested investment plan. M Wilson confirmed that 1 cash day = £168k.

6.2 Financial Statements 2024-2025

C Whitehead gave an overview of the four sets of accounts presented for approval to the Governing Body (which were also being considered for approval by the Audit and Risk Committee). She confirmed that a draft Management letter had been received, and a clean and unqualified account was expected, although there were some minor changes being made at the current time.

She detailed the situation re Northern Apprenticeships (dormant) and plans (and complications) for formally closing this over 2025-2026.

Committee members clarified a small number of areas including Directors of TTE International with discussion on planned changes and timing of changes over 2026.

The Committee considered each set of statements in turn and then **agreed** that the remit of the Committee was in respect of the finances only. The recommendation was adjusted to confirm that the Corporate Services Committee, having scrutinised the Financial Statements, were recommending the statements to the Audit and Risk Committee for their consideration of the controls, checks and balances (and that the Audit and Risk Committee then recommend the statements for signing at the Governing Body meeting of 17 December 2025).

The Financial Statements for 2024-2025 were **approved** in light of those adjustments by the Committee.

Z Lewis confirmed that this had been the earliest that the Financial Statements had been finalised which was pleasing and reflected the hard work by the team and auditors.

6.3 Bank Loan Update and Treasury Management Annual Report

C Whitehead gave a general overview and detail of the Treasury Management Annual report, including some further updates with the most recent Management Accounts. She confirmed all covenants had been met.

The Corporate Services Committee **approved** the 2024-2025 Treasury Management Annual Report for the College, subject to the updated cash position graph being added.

6.4 Management Accounts (October 2025)

The Committee discussed the late inclusion of the Management Accounts and the difficulty this had posed in receipt of those.

C Whitehead gave an overview of the difficulties of the new finance system which had resulted in the late receipt of the Management Accounts and of immediate support now being implemented with Microsoft system development (Power BI).

Z Lewis outlined internal assurances for the Committee including the full briefing given to Governors on 22 October 2025 on the budget.

The Committee then had a full discussion on the new system (and how this had been recommended) and of the benefits of sharing the issues relating to this earlier with the Committee (particularly the Finance Link Governor and Chair of Committee). Notwithstanding this, the Committee appreciated the hard work by the Finance leads and team to get the Management Accounts ready in difficult circumstances.

Lessons learnt were discussed, as was project management for IT systems, with overall agreement that the Management Accounts would be confirmed via the December Governing Body meeting for assurance purposes.

Planning for the January Management Accounts would be picked up with the VP of Finance and Registry and the Finance Link Governor at their next meeting.

C Whitehead then confirmed that the College was in a good position, and the forecast was improved and better than original budget.

6.5 Bad Debts

C Whitehead gave an overview of the debts write off requested as per the report, confirming that the percentage of debt was very small with no particular concerns noted.

Governors questions and discussion included: how write off judgements were made and the case by case nature of this; some of the complications linked to student loans were discussed; and of possible improvements with the process between the finance team and departments. It was **agreed** that C Whitehead would inform the Committee of any lessons learned/what might be done differently next time.

The Committee **agreed** to recommend to the Governing Body the write off of bad debts in excess of £1,000 of £33,712 (which combined £22,727 for 2024-2025 and two additional debts from 2022-23 and 23-24 of £10,985).

6.6 Financial Regulations Annual Update

C Whitehead confirmed that a full review of the Financial Regulations and Scheme of Financial Management had been undertaken. She detailed changes to the procurement process in line with regulations and the strengthening of wording to ensure a move to a 'best practice' approach. She outlined the updating of limits associated with the procurement process (which had not been reviewed in some years). Finally, there was an update to the Financial Regulations to include the responsibilities of the College's governance professional, as advised by a low management action on the Financial Handbook Compliance Audit.

The Committee discussed the process for procurement below the limits with confirmation that this was dealt with at a department level, supported by written guidelines, and CPD for staff, giving assurance on practice to the Committee. C Whitehead also informed the Committee of an internal audit for procurement within the 2026-2027 cycle and that a report would be going to the December Audit and Risk Committee, as part of their monitoring and assurances, on the procurement practices and wider financial regulations as discussed at this meeting.

Governors also queried how compliance with the Financial Regulations was ensured. It was confirmed that the Procurement Manager monitored all elements within procurement e.g. the supply spend, contracts etc and this process was an ongoing development. More widely, in respect of control framework for compliance, there was CPD for staff, followed by checks in Finance, with the assurance statements at year end confirming the compliance with the Financial Regulations.

C Whitehead also highlighted to the Committee an area of development on the use of College credit cards.

The Committee **approved** the College Financial Regulations and Scheme of Financial Management and Control, noting the useful nature of tracking for changes within the documents.

6.7 Overseas Trips

C Whitehead introduced this report which was primarily to report (as statutorily required) on Governor and Senior Postholder trips, for whom there had been no trips during 2024-2025. The report included other trips by staff for information.

It was **agreed** that future reports would explicitly stipulate the statutory duty to report on Governor and Senior Postholder trips.

6.8 Subcontractors Update

G Potts gave an update to his report in respect of Hope Foundation, which was ceasing trading, drawing particular note to the contingencies enacted, support for current learners (resulting in little impact) and plans for those on waiting lists. It was confirmed that no monies were owed to the College.

G Potts then gave a wider update including confirming that the contractual issues with 3T had been resolved; that the Wind Academy contract had started in Blyth, and confidence with Uplift plans starting in January.

Governors were pleased that the contingency plans worked in practice and that sufficient financial assessments took place as part of due diligence more widely.

6.9 Procurement Update

C Whitehead gave an update on the recent review of processes and policies under the procurement umbrella confirming that the College was compliant with all aspects of the Procurement Act.

7 Business Departments – SAR Grades and Key Themes

O Rodley outlined the overview of the 2024-2025 Self Assessment reviews for the Committee. He extended an offer for any committee member to attend future curriculum performance review meetings (which had also been offered to Curriculum and Standards committee members) should they want a deeper dive into any department/the process.

Governors were impressed with the level of information received as part of the report and there was a discussion on governor tracking of the business departments through reports to this Committee, Curriculum and Standards, and Governing Body.

O Rodley detailed the formal process for departments requiring support. The Committee **agreed** that departments in **Requires Improvement** (currently only Finance) would be monitored through the Committee via reporting by O Rodley on areas for improvement.

Systems implementation in Digital was also discussed with plans for digital developments with departments with progress tracked starting in January. It was **agreed** that a QiP update would be shared via Corporate Services Committee as a regular item.

8 Adult Education Report

P Moody gave an update to the report which highlighted a positive and improved forecast, with recent confirmation that over-delivery for TVCA would be fully paid.

Z Lewis drew attention to some delivery which was still at risk for the Committee, but of the robust mechanisms in place to support this. She outlined the level of in-year variation and the complexities of forecasting.

Budgeting in year mechanisms were discussed with confirmation that there was monthly reforecasting, which was of particular importance with the number of funding streams and departments involved.

9 Human Resources and Workforce Development (WFD)

Human Resources Annual Summary Report 2024-2025 and 2025-2026 Plans and Priorities

K Parkinson reported on a busy picture for the HR team drawing particular attention to: a positive staff survey and recent staff voice meeting; a slight increase to turnover (4.2 from 4) with related monitoring; improvements with inhouse data due to system development (notably payroll); WFD plans; further staff benefit roll outs; and reference to the priorities for the HR team for the forthcoming year.

Clarification was given to the KPIs and whether these were cumulative or averages (mixture of both).

A Pajura-Jaszczak and B Robinson left the meeting at 4pm

Governors questions included: vacancy rates targets (as they were rag rated) with confirmation they were less than 6%; reasoning for new system and benefits realised as a result; automation of appraisal process and balance between this and the need for the culture led approach with confirmation that the automation was used to enable the effectiveness of the process.

10 Campus Services Update

S Marshall gave a comprehensive update to campus developments and progress including improvements with health and safety (as evidenced by the recent Health and Safety meeting) with risk registers moving positively; Russell Street capital update; Outwood lease update; good energy savings (under retendered system); estates team stretch with capital works particularly during the summer; and an update on solar for schools.

Clarification was sought in respect of the security section with S Marshall to update the paper accordingly.

Agreement was given to remove 10.1 (Monthly energy report) from future agendas, and that this be reported by exception going forward, with a brief summary in the main report sufficient otherwise.

Sustainability Strategy and Action Plan

Clarification was given on the audience for the approved documentation followed by **approval** given by the Committee to publish the following:

- The Greener Future
- SECR 2024-2025 report

11 Digital Services Update

R Shuttleworth gave a comprehensive update to his report including: the successful digitization of September enrolment; MC Click update including utilisation monitoring; AI strategy; printing changes and reductions; licencing costs; cyber security and update to Audit and Risk Committee; security update and detail of the first College AI ethics committee meeting.

A detailed account of the finance system migration was given including the recent addition of Power BI, contract end with the current system, with lessons learned discussed by the Committee.

More widely, as part of the Digital Strategy the strengthened reviewing process for IT systems was discussed.

The Committee also discussed running costs of Co-Pilot and Azure systems/licensing with ongoing monitoring and future sourcing of possible alternatives. R Shuttleworth informed the Committee of Microsoft's development of a teaching model which would be included in the licence pack.

The Committee also questioned the security for the College in light of recent major hacks over recent months with R Shuttleworth giving assurance (as far as was possible) highlighting a very positive Microsoft score and detailed security oversight by the team, albeit acknowledging that education for individuals remained crucial (the human element being the key risk).

12 Business Development

12.1 Marketing and Communications Update

A Cummins-MacLeod gave a positive update to the application summary from the issued report. He also updated the Committee on key communication approaches (with WhatsApp tool being an excellent addition); 30% increase to open day attendance; an explanation of vector data and use by the team (showing positive market shares) and an update on the A Level market.

The Committee were appreciative of the vector data which was very informative.

S Marshall left the meeting at 5pm and R Davies left the meeting at 5.10pm

12.2 Employer Engagement Update

M Telling gave a positive account of employer engagement and apprenticeship delivery, including an update on the successful scholarship programme and the valuable insight given by the employer advisory boards.

Governors asked questions on: commercial delivery and targets; whether Microsoft could be used to support some endeavours when diversifying the portfolio; growth of commercial and the balance of this for the College; community engagement opportunities e.g. 365 courses (which were run by the Adult team); and potential impact on the College/employers of any change to government policy on the apprenticeship levy.

12.3 International Update

M Telling detailed positive performance for 2024-2025 with £45k profit. He gave an update on international business with repeat training (AG Aluminium), operational issues for planned contracts beyond the College's control; and ongoing discussions for future training programmes with a positive projected income forecast for 2025-2026.

13 Committee Review of Top Risks

The Committee concluded there were no new risks to add to those discussed at the start of the meeting but confirmed the focus on the Finance system.

14 Date and Time of Meetings 2025-2026

- Wednesday 25 March 2026 at 2pm
- Monday 6 July 2026 at 2pm

15 Any other Business

J Castor thanked all report writers for the sharper reports received for this meeting.

The meeting ended at 5.18pm