

**THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE  
CONFIRMED MINUTES OF THE GOVERNING BODY STRATEGIC PLANNING SESSIONS 6 – 7 FEBRUARY 2026**

**PRESENT:** L Woods (CG/Chair), R Anderson (CG), J Castor (CG), A Coleman Cooke (CO), H Day (CG), G Dobson (CG), S Lane (CO), Z Lewis (Principal/Chief Executive), D Lusardi (CG), P Lynn (CG), K Marshall (Student Governor), M McClintock (CG), S Mirsalehi (CG), P Neal (CG), R Nighoskar (CO), A Pajura-Jaszczak (Staff Gov), P Sharp (CG), I Wallace (CG), M Wells (CG).

**Both days**

Only Day 1: S Brown (CO), D Budd (CO), S Collyer (Governance Support), E-G Farndale (Student Governor), A Shaffi (CG), C Whitehead (VP).

Only Day 2: J Tait (CG)

**IN ATTENDANCE:** A Adebola (Student Union Vice President), G Thomas and R Mottram (Pro Excellence), L Brothwood (observing on Day 1) – future Co-opted Governor

**VIA TEAMS for specific items:** E Meredith (Director of Skills, Policy, and Global Engagement - AoC) for Item 5; S Rose (Policy Manager - TVCA) for Item 5, S Collier – External Board Reviewer AoC (over lunch), P Moseley (ETIO) for item 6

**OFFICERS:** A Adamson (VP) (Teams), J Barwell (AD), P Blewitt (AD), Z Foster (Head of Governance), R Gray (AD), C Harrison (Exec Assist), S Marshall (VP), P Moody (Exec. Dir.), K Parkinson (VP), G Potts (VP), B Robinson (DP), R Shuttleworth (Chief Technology Officer), M Wilson (Exec. Dir.), C Yule (AD).

**KEY:** CG College Governor      CO Co-opted Governor      DP Deputy Principal  
VP Vice Principal      AD Assistant Director      Exec Dir – Executive Director

#### 1. Apologies for Absence

- Both days: I Anwar (CG), M Gaze (CG), R Davies (CO), O Rodley (VP), D Still (Staff Governor), P Watt (AD)
- Day 1 – J Tait (CG)
- Day 2 – E-G Farndale (Student Governor), A Shaffi (CG), S Brown (CO), D Budd (CO), C Whitehead (VP).

#### 2. Declarations of Interest

R Anderson declared any relevant interest in respect of LSIP, the Stamp Exchange in Newcastle (as the NECC are NSG's landlord) and Place Leaders Partnership.

#### 3. Governing Well

L Woods gave an introductory session on governing well (which would be further developed at the May training event) outlining:

- The timeliness of the session with a new Chair, new Governors, new Ofsted regime, new FE commissioner, new Government policies, governance review and the new MC strategy
- Influencing factors for the College
- The focus for governors of college leadership and oversight and driving the best educational outcomes for students
- Governor must-dos; and how governors fulfil their role and responsibilities through clear vision and strategy; common culture, shared values and high expectations; quality, finance, risk and stability; challenge and support; collective responsibility; self-assessment and external review and staying strategic.
- Operating principles and ethos of active governance
- General asks of governors including using and respecting the expertise of sub committees and of staff notably being clear on governors' role and keeping us informed (no surprises), all to ensure good governance
- The great responsibility and privilege of being involved with MC governance and opportunity to shape the College's future success.

#### 4. Introduction and Recap

Z Lewis firstly thanked everyone for giving up their time for this important process which would shape the next 5-10 years of the College's strategic direction. She outlined the clear objectives of the two day sessions which would enable the College SLT to prepare a draft plan to test with stakeholders and be reviewed by Governors in the summer term:

##### Day 1

- Bring board up to date with policy announcements and hear context from important stakeholders
- Consider results of commissioned studies – LMI, Space options, Financial benchmarking, financial plan
- Capture your top reflections as we go through the sessions
- Build relationships over dinner

##### Day 2

- Consultation feedback, values workshops and agree future priorities.

She reminded Governors of the Strategic Planning process so far drawing particular attention to the strategic plan self-assessment and of key discussions at the last strategic session in October.

She then detailed the day and how feedback would be captured through the QR codes which would ask for the top 3 things remembered from each session which would inform the workshops tomorrow. *To note: these have been incorporated into the minutes through the reflections at the end of each section.*

## 5. Local/Policy Context

**AoC National Policy** – E Meredith gave a detailed presentation which covered:

- **Context (megatrends and politics)** including : global factors and megatrends (such as geopolitical uncertainty, AI, climate change, growth and skills); and the complex political landscape
- **Policy and finance – what’s new?** Policy developments outlined including: new ambition that 2/3 of children should go to university or take a gold standard apprenticeship; further education as a defining cause for the Labour Government; DfE as main regulator; transfer of skills to DWP; NEET focus; joint minister; new Ofsted approach; 29 technical colleges; intervention changes; schools white paper (SEND); CAR final report; student mobility and return to Erasmus+; new UK international education strategy and international student levy and impact on maintenance grants.  
Finances: extra 16-18 funds (providing 62% of FE college income); higher costs; vacancies in key subjects; capital grants but no new grants to support major projects; with overall very low rates of financial notices to improve (3% of FE Colleges); greater detail of revenue and capital funding within the tight fiscal environment; IFS report on education which detailed education spending showing that FE had increased 16-18 funding, reduced adult skills funding; cost pressures in continuing policy churn.
- **Post 16 Education and Skills white paper** – an outline of the four main areas of focus (working with employers, a specialist and prestigious, high quality FE system; strengthening our world leading HE system and measuring success) was given. The challenges, vision and outcomes were detailed with further explanation on the plans for a more joined up system shared. The focus on FE was highlighted, notably: national professional development for teachers and support for leaders; specialist teaching and employer partnerships through Technical Excellence Colleges; high quality pathways, notably the new Ofqual regulated V levels to be introduced alongside A Levels and T Levels, new English and Maths quals, place guarantee for post 16 provision and regional improvements teams.
- Implementation of the various aspects of the white paper was detailed, with E Meredith drawing particular attention to the introduction of the new V Levels and AoC/college responses to the consultation especially around DfE expectations around when these would be ready to be delivered (2027-2030), along with collaborative work by the AoC with HE and the OfS in relation to the Lifelong Learning Entitlement and changes to OfS regulation of HE.
- Attention was also drawn to areas which were missing from the white paper notably: pay, adult education, school sixth forms (and collaboration with colleges), Growth and Skills levy, Further Education Innovation Fund (FEIF), qualifications and transition, and centrally the overall capacity of colleges to deliver on these significant changes.
- Government priorities for colleges were highlighted – enhancing achievement for young people; reducing NEET numbers; increasing number of young people with L4+ qualifications; reducing skills shortage vacancies in industrial strategy sectors and construction and health; and engaging colleges as anchor institutions in the local community. E Meredith drew out a number of opportunities and challenges for colleges and AoC relating to those priorities over the next decade
- FE and Skills White paper summary – a RAG rated version of the summary was shared and outlined by B Robinson and Z Lewis, giving a snapshot of where the College currently sat in relation to the priorities summarized with those areas of dark green indicating where the College had a mature response, light green – actively preparing, amber – preparing but awaiting more information and blue where workshops would be following today (NEET prevention, intervention, Ofsted toolkit and HE reform plus 2/3 18-25 year olds at L4+). Confirmation was given that the College was in a good position nationally with key staff involved with Gatsby, AoC and Skills England in this time of huge change/potential risk.

Discussion and questions included: capacity of colleges to deliver this broad range of changes and the role of the AoC as broker to support this; the role and responsibilities of employers and how expectations and involvement can be developed/supported at a national level (with examples of how this is done elsewhere); apprenticeships and job ready leavers; qualification reform and how this was linked to AI skills development and future destinations.

### **Key Themes from Governor reflections on National Policy**

- **Qualification and Curriculum Reform = Major Uncertainty** - The scale, pace, and unclear direction of qualification reform (including T Levels) were seen as one of the biggest risks to colleges, with concerns about students choosing pathways too early
- **Constant National Change and Political Instability** - A dominant theme being ongoing policy churn, national uncertainty, and unclear departmental coordination (DfE, DWP), making long-term planning difficult.
- **NEETs and Youth Unemployment Remain Critical** - Rising NEET levels—especially acute in the Tees Valley—pose both moral and strategic challenges, with unclear funding/resources to respond.
- **Funding Pressures and Real-Term Cuts** - Concerns include stagnant 16–18 funding since 2014, unclear future funding sources, and reduced real-term budgets despite rising expectations.

- **Local Labour Market Challenges** - Tees Valley faces higher unemployment, lower business density, and fewer Level 4/5 jobs than average, amplifying national issues.
- **Employers' Role and Engagement Gaps** - Employers struggle to understand qualification changes, lack incentives for apprenticeships, and need more support to value higher-level skills.
- **AI, Digital Skills and Workforce Readiness** - Reflections highlight risks around AI affecting jobs, assessment integrity, and the need to equip young people with digital citizenship and future skills.
- **College Capacity, Resilience and Staff Pressures** - Concerns about the college's ability to deliver amid constant reform, staff/student resilience, and the need to prioritise strategically.
- **Higher Education Pathways and Unrealistic National Targets** - The aspiration for two-thirds of young people to enter HE or apprenticeships feels *misaligned* with economic realities, student finances, and workforce demand.
- **Strategic Partnerships and Local Opportunities** - Strengthening relationships with TVCA, employers, and Teesside University is seen as essential—especially with devolution of capital and opportunities in international education.

**TVCA Local Context and Policy** – S Rose gave a comprehensive update of national policy and its impact and work by TVCA within the region. She detailed the Growth Mission to raise living standards in every part of the UK and the regional policy context notably the Tees Valley Growth Plan, Get Tees Valley Working Plan and its three pillars of support (retention, intervention and preparation and how these transformed into support), and Tees Valley sector propositions related to the UK's Industrial Strategy and sector plans.

S Rose then outlined key achievements since 2017 within the Tees Valley including GDP growth by 2.6%, increased business numbers, employment number increase of 5,600, job number increase of 9,000 and increase in skills levels with 147,000 working age adults qualified to L4 or above. Future ambitions were then detailed which would develop further many of those metrics but also increasing gross disposable household income, increasing healthy life expectancy, more work age people in employment and 30K fewer residents in employment deprivation.

Governor questions and discussion included: what the current average local salary was and how close this was to the national average (confirmed this to be around £500 less than national average); where young people were working and the factors impacting the data; confirmation of 80% of future replacement jobs and 20% new approximately, 75% of which would require L4 skills; accommodation requirements to support growth and the lack of a strategy currently to support this in the Tees Valley and North more widely; and Middlesbrough Town Centre as an investment zone and what this entailed.

**NECC Local Context and Policy** – R Anderson gave a comprehensive update of the Tees Valley Local Skills Improvement Plan (LSIP) including what it was and the areas of focus for the first LSIP and of general progress with Health and Social Care being exemplified in detail.

LSIP 2026-2029 was then detailed (due to be submitted in May 2026) and its joint NECC/TVCA ownership this time round was explained. The key sectors were outlined: Green Energy/Net Zero; construction – housebuilding/trades, advanced manufacturing, chemical and process, bio and life sciences, digital and creative with a cross cutting theme of creating opportunities. The fieldwork thus far showed some emerging themes which were detailed i) a constrained talent pipeline with core transferable skills being of equal importance to technical competence for their staff ii) structural education industry misalignment i.e. training provision doesn't align with how work is delivered in the Tees Valley economy and the implications of this iii) SMEs carry disproportionate risk in workforce development and implications.

**MC Local Context and Policy** – G Potts detailed the College response and introduced this via the most recently commissioned piece of work which considered 'openings v achievements' and showed how the College generally aligned very well with that. He acknowledged oversupply in construction, arts/entertainment and recreation and professional services and explained reasons for these, and under supply in food and accommodation (where higher level qualifications were not required). The College response as detailed in the diagram showed a comprehensive approach to the local context, issues and requirements.

Governor questions and discussion included: the need/benefit of separating out Advanced Manufacturing from Manufacturing in order to best consider progress (TVCA) and the complexities of this within the current standard industrial classification (SIC) coding; reasoning behind oversupply in construction, employer recruitment activity and barriers to recruiting locally and expectations for future demand locally and nationally; the impact of the removal of the apprenticeship grant on local employers and possible future use of the Growth and Skills levy; how students' wider skills could be developed to support improved employability; whether entrepreneurial skills were sufficiently supported with current programmes and within the business solutions offer within the Tees Valley (where it was confirmed development work was in progress).

#### **Key Themes from Governor reflections on Local Policy**

- **Entry-Level Jobs Are Disappearing (AI + SME Pressures)** - AI is removing or reshaping entry-level roles, and SMEs (dominant in Tees Valley) struggle with cost pressures and inconsistent demand—reducing opportunities for young people and apprentices.

- **Experience Required but Not Provided** - A major contradiction emerges: employers demand experience, yet very few offer it. This is blocking progression for 16–24-year-olds and apprentices.
- **Apprenticeship Costs Create Barriers** - Rising apprentice wages (~50% over 3 years) and removal of grants making apprenticeships significantly more expensive. Employers say reinstating incentives is essential
- **Skills Gaps Widening and Misalignment with Employer Needs** - Employers want “business-ready” young people with higher-level communication, readiness, and technical competencies—but current pathways don’t consistently deliver this.
- **Tees Valley Economic Reality Is Not Matching the Headlines** - Despite positive indicators in TVCA reports, governors note continued poverty, unemployment, health inequalities, and low job density in communities.
- **MC Has a Major Opportunity to Influence Employers** - Reflections highlight the College’s potential to shape employer behaviour, improve social value usage in supply chains, and drive a more coordinated regional approach.
- **AI as a Cross-Sector Disruptor** - AI isn’t just a digital issue—it affects every sector, transforming skill needs and raising major questions about job displacement and new job creation.
- **Need for Strategic Focus (Avoid the Rabbit Holes)** - Governors caution against getting lost in sector-specific detail—urging the College to stay strategic and focus on changes *within its control*.
- **Significant Upcoming Labour Market Gaps (50+ Workforce)** - High proportions of older workers in several local sectors present future opportunities—but only if the region prepares younger people effectively.
- **Achievability of Regional and National Targets Is Questioned** - Targets such as “20% more jobs” or matching national employment statistics are seen as unrealistic without major structural changes and increases in employer participation.

**FEC and College Oversight** – Z Lewis detailed the new DfE College oversight approach for Governors, which included the alignment of deputy FE Commissioners with new Regional Improvement Teams, which would tackle themes, issues within a region; a tiered approach of support and intervention; the development of an FE Provider dashboard (which would be detailed in the summer training day) which would provide key information; and intervention triggers and processes including the ability for the Secretary of State to intervene should Governing Bodies themselves be considered to be under-performing.

She then outlined the history behind the FE Commissioners of which there had been three, with a new fourth now in place, E Thinnesen (formerly Principal of EPNE), and outlined the current local college landscape and proactive collaborative approach by the FE+ collective of colleges.

Finally, consideration was given to FEC led local provision reviews including why they might be instigated, the data and information used to ascertain need, and what they may result in for a local area, including possible mergers of provision.

### **Key Themes from Governor Reflections on FEC and College Oversight**

- **Uncertainty with a new FE Commissioner** - uncertainty about the new FE Commissioner’s priorities, with a strong emphasis on building a positive relationship
- **Potential for Mergers & Consolidation in Tees Valley FE** - whether TV colleges may be directed toward mergers—including the possibility of a single Tees Valley college. Mergers were considered both a risk and opportunity.
- **Demographic Decline = Major Strategic Threat** - Governors highlighted the projected fall in learner numbers over the next 3–5 years and the need to prepare strategically: protecting the College, adapting collaboration models, and understanding how this shapes FE Commissioner decisions
- **Collaboration vs Competition with Other Colleges** - Strong recognition that collaboration currently works and is beneficial—but may be destabilised by demographic shifts, funding pressures, or new oversight interventions.
- **Need to Clarify MC’s Position in Any Future Restructuring** - Governors ask: *Do we have a merger plan? Who would we partner with? Should we lead or react?* There is a desire to be proactive and “on the front foot” in case an area review or consolidation opportunity emerges.
- **Risk of Loss of Autonomy Under FEC Oversight** - A recurring concern: will FE Commissioner involvement—especially in the context of demographic decline—lead to reduced autonomy or enforced structural changes?
- **Inconsistent Regional College Groupings** - Governors question the logic of current geographic groupings used in oversight structures, noting misalignment with place-based public sector strategies and the added complexity of bodies like TVCA and NECA.
- **Efficiency Challenges Under Current Grouping Structures** – noted the current configuration of colleges prevents achieving meaningful efficiency savings and that collaboration is only effective during periods of demographic growth (which is ending).
- **Oversight Intervention Concerns (RIT Risk)** - Governors explicitly ask whether MC might be “first in line” for RIT (Restructuring Intervention Team) involvement, showing heightened awareness of oversight risks in the coming period.
- **The College Must Not Be Complacent** - there is a strong call for strategic vigilance: preparing for multiple scenarios, maintaining relationships, planning ahead for demographic decline and consolidation pressure, and influencing the FE Commissioner as much as possible.

**External Reviewer** – S Collier was welcomed into the meeting, and she introduced herself and the External Board Review process as performed by the AoC, and as statutorily required on a tri annual basis. S Collier gave her background, highlighting that she was also a governor and Vice Chair of an FE college.

She detailed her approach which would consider the quality of interactions between governors and various cohorts and each other), consideration of the governance documentation and the start of the process which would be with the release of the survey to all governors on Monday 9<sup>th</sup> February 2026, the outcome of which would aid developing areas of strengths, differing opinions and further explorations and themes. Observations of three committees and one Governing Body meeting (with two days in College), alongside some individual calls with some governors in detail would then follow, ahead of formulating a full report which would be shared with Governors at the May training session.

Z Lewis thanked S Collier for coming into the session.

**Ofsted Update** – A Adamson introduced the session which would inform Governors of Ofsted's renewed framework for 2025. She took the Governing Body through the proposed new Report Card for Further Education and Skills in detail, and in simplified form, and outlined the evaluation areas to be considered within the framework, resulting in 16 different grades on the report card. She detailed the 5 different grades and what they meant, and expectations around those grades (with Expected being the starting point which was acknowledged as a high bar) and how they were determined via the 'secure fit' model. She also confirmed that the College would likely be next be inspected within 2027-2028 academic cycle.

*The tables of Governors were asked to estimate where they thought the College would be on the report card across the standards.*

Each of the evaluation areas were detailed, notably the new measure of Inclusion and reasoning behind this. A Adamson detailed the complexity and range across this area and also how inclusion was to be inspected including the use of case sampling.

Particular attention was also drawn to Leadership and Governance and the explicit expectations on governors and how this would be assessed. It was also highlighted that achievement now went beyond qualifications, with a holistic view being taken of learner progress and outcomes

The College's response was then given with the review of the quality assurance processes having taken place; development of the Inclusion Strategy (which would come to the future Governing Body for approval); updating of staff training; further preparation of Governors and the strengthening of existing systems.

A brief overview of the three colleges who had been inspected under the new framework was then provided.

Discussion and questions included: how HMI could support the process of improvement post inspection, and the enablement of improvement inspection were discussed including the issues of capacity and skills of HMIs and further support through regional teams; potential difficulties around context and background to students pre College in relation to the learner journey particularly in relation to high needs; acknowledgement that a very high proportion of MC students could be classed under the inclusion umbrella (and many in multiple sub areas) and the importance of context; the role of the nominee within the process; benchmarking activities against other similar colleges; and the knowledge of subcontractor and multi-site activity required by those involved in the process (including governors).

*Governors were then asked to re-evaluate their report card, with discussion on areas of movement.*

Z Lewis confirmed that the new data dashboards would be part of the training day activity in May.

### **Key Themes from Governor Reflections on Ofsted Update**

- **The new Ofsted framework sets an extremely high bar** - Reflections repeatedly emphasise "Expected = very high bar" and that "Exceptional is not possible," leading to heightened awareness of challenge and raised expectations.
- **It is *not* a checklist – a more dynamic, evolving inspection model** - Governors note that Ofsted's approach is "still evolving," and more dynamic, requiring judgement, narrative, and contextual evidence rather than tick-box compliance.
- **Inclusion is central – and expectations are significant** - The new framework requires deep understanding of inclusion at all levels. Governors highlight the need for triangulated data, understanding varying student needs, and ensuring the College's inclusion agenda is well understood.
- **Context matters – but governors worry inspectors may not account for it properly** - Concerns were raised about how disadvantaged areas and large multi-provision colleges will be judged fairly under the new framework.
- **Important shift in public perception of grading and expectations** - The new system may look like a decline in ratings to parents and stakeholders, so there is a need to proactively manage expectations and communicate clearly.

- **Governors must deepen visibility, knowledge, and readiness** - Themes include understanding the College “on the ground,” participating in staff councils, receiving regular training, and being fully familiar with inclusion and performance standards.
- **Preparation, planning, and reflection are essential** - Strong message: the framework requires continuous improvement, evidence-gathering, data triangulation, and constant reflection—not just one-off preparation before inspection.
- **New model seen as fairer but still imperfect** - Governors feel the approach could be “fairer” to FE but note concerns around inconsistency, comparative data usage, and inspectors’ interpretations were still evolving.
- **The importance of adult learners and AI-ready digital skills** - Several reflections highlight the growing significance of adult provision and the role of AI/digital readiness in preparing learners for modern careers.
- **Communication with stakeholders will be critical** - Colleges must communicate early with governors, parents, employers, and students about how inspection outcomes should be interpreted under the new framework.

## 6. Additional Considerations

**The Future of HE at MC** – B Robinson detailed the current Higher Education curriculum provision for its 491 learners, including full list of qualification on offer, learner numbers and the financial position and contribution rate (which was lower than standard for the College).

He then gave a sector update drawing attention: a flexible modular curriculum; employer partnerships and skills alignments; the strengthening of L3 to HE progression; quality, governance and Degree Awarding Powers (DAPs) in which the College was currently in the process for applying for Foundation Degree Awarding Powers; growth and sustainability, curriculum transformation and innovation, and employer led workforce development, all underpinned by the Post 16 Education and Skills white paper.

In the context of both the sector policy and more generally, the College was mindful that to fully thrive and make best use of some of the opportunities of policy shift, the HE provision would both need to grow and make better use of space. It was noted that culturally Higher Education was generally a difficult area to succeed in within the UK market.

The review by SLT determined that whilst the provision could be better financially, the provision should be retained, particularly in the context of policy change and related opportunities, and in serving the local community.

Governors’ discussion and questions included: whether the Lifelong Learning Charter would enable a cultural shift in respect of higher qualifications; likely demand for HE courses at MC going forward; employer involvement and knowledge of the variety of options for courses at this level and development of this; what situation might force closure of HE and the impact should MC not offer HE within the Tees Valley notably on widening participation for L4+ learning; HE provision by other colleges locally; the benefits of the provision (small classes etc.) and promotion of this with both student population and beyond; and use of space and need for social space should the provision expand.

### Key Themes from Governor Reflections on Future of HE at MC

- **Continue HE for now, but keep options open** - A strong consensus suggests keeping HE provision in place, but with an open mind and readiness to change direction as national policy, student numbers, and local need evolve.
- **Review the provision again within 12–18 months** - Many governors emphasise the need for a formal review after upcoming government announcements (e.g., Degree Apprenticeships) and once clearer data on growth, demand, and policy emerges.
- **HE currently isn’t delivering the expected financial contribution** - There is concern that HE is not covering its share of running costs, and that the space it uses could potentially be more profitably or strategically deployed.
- **Physical space and student experience need improvement** - Several reflections highlight issues with the suitability and use of physical spaces, recommending rethinking layouts, smaller classrooms, modernised environments, and better alignment to a genuine HE student experience.
- **HE could thrive if “pitched right” – especially with LLE** - Governors believe the *Lifelong Learning Entitlement (LLE)* could create new opportunities—if MC positions its offer well and differentiates itself clearly
- **Foundation Degree awarding powers would enhance reputation** - Gaining or retaining foundation degree-awarding status is seen as a reputation booster, improving perception and attractiveness to learners.
- **Need for a more flexible, innovative model of delivery** - Themes include flexible structures, modular models, alternative use of space, better marketing, and approaches that align with local economic needs—recognising HE may need to operate as a “loss leader” short-term.
- **Improve progression routes, especially Level 3 → Level 4/5** - Governors highlight structural barriers preventing learners from moving from Level 3 to Level 4/5 (including apprenticeships), signalling an opportunity for MC to better support employers and learners.
- **Need to raise awareness of HE among school leavers** - There are concerns that secondary pupils may lack awareness of the HE options at MC, which could limit uptake—particularly for those uncertain about university.
- **HE adds value to MC’s identity and community mission** - Several reflections emphasise that HE raises the College’s profile, supports local participation, and is sometimes “the right thing to do” for community and economic development—even if not immediately profitable

**MC Addressing NEETs** – G Potts gave the contextual overview of national and local demographics and factors impacting the increase in NEETs both now and projected (where it was increasing significantly up to 2030). He then detailed the College's approach which had increased the provision to support NEETS and the impact on figures locally.

R Gray went through each of the main areas, their roles and impact (including learner destinations): Vocational Steps programme; 17 year old restarters, Business Academy curriculum design (e.g. health allowing step in and step off points), in year starts and ROOTS provision of 180 (not on main site). She also detailed the expansion of outreach hubs across a range of areas but notably in TS3 (a ward with a particularly high referral rate).

The detailed proposed delivery for Russell Street was outlined. Governors would be welcome to come and visit the Russell Street site ahead of a future meeting.

Governors discussion and questions included: acknowledgement of the huge impact the College already had on this hard to reach cohort; the potential to use Place Based funding to further support hubs; the wide range of investment required to expand the provision (beyond space); the detail of the mapping exercise and potential to work more widely if appropriate within a Tees wide strategy; the age profile for the provision and variety of support depending on age; whether the 5 year plan for Russell Street was sufficient; and maximum numbers ahead of demographic downturn.

### **Key Themes from Governor Reflections on MC Addressing NEETS**

- **MC's NEET provision is a major success story** - Governors repeatedly describe the programme as *excellent*, *phenomenal*, and a model that should be shared across Tees Valley and nationally.
- **Queens Square, ROOTS & Russell Street are delivering high-impact outcomes** - Specific projects (Queens Square, ROOTS, Russell Street) are praised for reducing 16–18 NEET levels in Middlesbrough and providing strong adult provision.
- **Impact is clear — and should be documented and showcased** - There is strong encouragement to measure and communicate the **economic, social, and community impact** to TVCA, DfE, and others, as this builds a compelling case for continued support.
- **NEETs are reducing locally – but demographic growth could increase demand** - Middlesbrough's proactive approach is lowering NEETs now, but governors note demographic growth may put renewed pressure on provision.
- **Safeguarding and wellbeing remain critical risks** - Governors highlight reputational and safeguarding risks, the need for consistency, and questions around safeguarding for 19+ learners.
- **Clear boundaries needed between LA responsibilities and the College** - MC must ensure clarity on roles, avoid taking on unfunded responsibilities, and hold other LAs accountable for their NEET obligations.
- **Expansion across Tees Valley is desirable but must be resourced properly** - There is enthusiasm to scale provision into Redcar, Stockton, and wider TV areas — but only with FE+ support and sustainable funding.
- **Strong need to evaluate post-programme destinations** - Governors ask key questions: *Where do they go after 12 weeks? Are they still NEET?* — emphasising the need for follow-up tracking to ensure lasting impact.
- **Funding questions remain unresolved** - There are concerns over whether MC is being funded adequately given it is taking on tasks normally handled by councils, providing major savings to public services.
- **The work aligns strongly with community needs (literacy, welfare, inclusion)** - Governors see the programme as addressing wider social issues (literacy, welfare, inclusion) and delivering significant community benefit — reinforcing that “this is the right thing to do.”

**Financial Benchmarking** – P Moseley (ETIO) detailed the benchmarking exercise performed on the 2025-2026 MC College budget. He outlined the methodology generally and focus for the session which would be on the Core Operational Activity. Key points outlined included:

- Financial Sustainability and Efficiency Radar Analysis - which showed a quite low cost overall for the College compared to GFE colleges on average, with proportionally lower spend on pay being the main contributory factor. However, also noted was the higher investment in IT services and sales and business development activities than other colleges and a higher Teaching delivery spend relative to core income.
- Core income diversity was broken down with a heavy weighting for the College towards Government funded activity, notably 16-18 programmes, and High Needs Funding accounting for much less of the College's core income than was typical
- Teaching delivery costs were higher than all comparators but offset by a significantly lower spend on Teaching Support due to the significantly lower volume of High Needs students
- Teaching Financial Productivity (total amount of tuition income recorded per total amount of Teaching Delivery FTE) was detailed (including influencing factors i.e. funding efficiency, class size ration and average teaching utilization). This was at a higher level than benchmarks i.e. the College delivered the same volume of tuition income with fewer teaching delivery FTEs, and influenced by a 20% higher level of Funding Efficiency, indicating that the College generated more tuition income per student hour than other colleges. Further notables included: a higher proportion of managerial positions; fewer FTEs, slightly lower delivery costs; and higher average pay level of £53K against benchmark of £46k
- Non-Teaching activity was on a par with GFEC averages but significantly higher than the most cost efficient colleges. It was noted that the profile was skewed by IT Services, Sales and Business Development activities, but had a leaner non-teaching cost profile elsewhere

- Student Services showed a lower spend on activities associated with Careers and Employability, Admissions Admin and signposting and service management. It was outlined that careers costs were low due to some of careers being included within the business development area (which was high). In terms of qualification it was acknowledged that those staff were mainly L2 qualified whereas L6 was the designed grade for careers advisers. Higher non pay was associated with the Sports Academy, a lower level of student travel subsidization and higher costs attached to bursaries and scholarships
- Corporate Services – was less than average overall but higher costs with greater investment in Staff Development and improvement
- Estates – the College was more financially efficient with its space but running costs were higher due to higher spend on repairs and maintenance, security, energy and property insurance.

P Moseley confirmed a strong reflection of the College once the underlying figures were known, which was reassuring. Z Lewis confirmed the benefits and efficiencies of operating across a single site enabling the College to be more financially efficient with its space.

Governors considered the key reflections identified and discussed: higher than average teacher salaries and reasons why; reasons for other high areas often as part of a deliberate strategy e.g. IT/workforce development; areas where investment was required including Estates and finance teams; options for collective buying within FE+ and issues with this; detail of why High Needs was lower than average with 50% being taught within mainstream programmes and subsequent lower high needs funding, albeit the SEND white paper may change this; terminology of 'inefficiency' versus actuality of choosing to invest in certain areas was noted; and curriculum management benchmarking/skewing by management positions with financial productivity being the real key metric.

### **Key Themes from Governor Reflections on Financial Benchmarking**

- **Overall financial position is positive and broadly reassuring** - Governors generally feel the benchmarking show the College is spending in the right areas, and where it differs from the norm, it reflects intentional decisions made in students' best interests.
- **Careers advice and employability spending is significantly below benchmark** - A strong theme is the need to invest more in careers, with multiple reflections highlighting this as a gap that needs urgent attention.
- **Repairs and maintenance costs need further explanation** - Governors question why R&M costs are high when the estate is mostly modern, querying whether this reflects one-off capital replacements that temporarily distort the picture.
- **Need for deeper data to support decision-making** - Governors want more detail—particularly at **curriculum level**, on curriculum balance across GFes, and on how comparisons account for factors such as CTLs both teaching and managing.
- **Staff cost differences may link to MC's Level 3 dominance** - The College's curriculum mix may explain higher staff costs; governors note this should be better understood within the benchmarking exercise.
- **CPD investment must demonstrate impact** - Increased spending on CPD needs to correlate with **staff retention, reduced sickness**, and improved workforce stability.
- **IT and digital strategy spending is high but purposeful** - Higher IT spend is viewed as the result of an ambitious digital strategy and delivers indirect benefits, though governors emphasise the need to keep an eye on rising licence costs.
- **Opportunities for efficiencies—but not at the expense of quality** - Governors encourage exploring further efficiencies, but only where they do not undermine educational quality or student experience.
- **Safeguarding investment is high, but student services management is relatively low** - There is an observed imbalance between strong safeguarding resourcing and comparatively lower spend on student services management.
- **Benchmarking is valuable—but must link to student outcomes** - Governors find the exercise useful but emphasise that benchmarking is "binary" without stronger connection to **impact on learner outcomes** and the college's overall performance.

**Space Analysis** – Escentral (who were commissioned to do the space analysis) provided the related slides which P Moody led governors through, drawing particular attention to the following:

- Total utilization figures of 39%, with efficient colleges getting figures of 40-44% making it a realistic goal to improve to around those figures,
- Trends included: 15% reduction in use on Friday, TTE/STEM underutilization (due to restrictions in use), gym world used very little, catering, music and art reduced utilization (also linked to requirements for those subjects).
- Future concerns for capacity with demographic growth (14% (800 students) growth over the whole period) for digital, construction, barbering and classrooms with three scenarios modelled to show options with scenario 3 being the most likely (which modelled demographic uplift plus greater percentage of T Levels) whereby areas at capacity would be those above and hair/fashion and science labs
- The complexities of capacity requirements which were fluid in nature (as demographics would reduce in 3-4 years)

S Marshall then took governors through some potential capital solutions in respect of the TTE mezzanine, reconfiguration of gym world, reconfiguration of underutilized spaces for high demand spaces, more portakabins

between MC6 and Digital, construction tents and relocation of bin store, and reconfiguration of STEM totaling £3.7m. In addition, there were options to extend all or part of 2QS lease. The requirement for more café and social spaces was also highlighted and discussed.

Z Lewis gave detail of a recent TVCA £6.9m capital fund for capacity and construction for the region with FE+ working together to agree the split, the outcome of which would help significantly with financing capital needs. In light of this, previously discussed lease plans with MC which were due to be finalized were on hold, as that option (and its commitments) may not be required should the College be able to wait for the TTE mezzanine changes.

Governors discussed the detail of the capital requirements, funding and modelling in full.

**Financial Plan** – C Whitehead presented the current picture for 2025-2026 including assumptions. She then gave an update to 2026-2027 and beyond where there was a much improved revised plan up to 2029-30 (at which point demographics were due to reduce which would require careful management). She took Governors through what had changed, the forward planning assumptions and sensitivities, and resulting outcome over £2m surplus each year.

Six possible investment options within 2026-2027 were detailed for early consideration, whilst noting that final figures for 16-19 in year growth, capital confirmation, and 2026-2027 revenue 16-19 allocations would not be known until March. The capital position was detailed including the significant positive impact of the DfE annual capital grants which greatly reduced the College spend requirement, thereby enabling greater cash generation. The cash position (assuming £1.5m revenue) was outlined, along with potential self-funding of TTE and loan maturity detail, ahead of governor discussion on the options on Day 2.

Z Lewis expressed the hope to make the Pay Award determination for 2026-2027 early this year, in light of the complexities and subsequent delays last year.

Governors' initial questions included: clarification on plans for the TTE mezzanine, costs and lease arrangements and compromises if this was delayed; risk management of the TTE mezzanine options; and whether colleges could have too much cash in the bank and the potential impact of this.

### **Key Themes from 'Space Analysis and Financial Plan Reflections**

- **MC is in a strong financial and cash position** - Governors note the college has solid current and forecast financial health, strong cash reserves, and overall stability—enabling strategic investment without long-term borrowing.
- **Space optimisation is essential, with multiple options available** - There is recognition that improving space utilisation—classrooms, mezzanine opportunities, and non-curriculum spaces like cafés—can support both cost savings and future growth.
- **The TTE mezzanine project is a priority that requires timely decision-making** - Governors highlight strong demand for additional TTE teaching space and emphasise choosing a funding route soon, with several options available. Some believe MC should fund it directly.
- **Demographic decline must shape long-term commitments** - While short-term learner numbers may grow, governors stress caution about taking on long-term fixed costs given expected demographic dips.
- **Paying fewer staff more is seen as strategically sound** - Reflections note MC's higher-than-average teacher pay and lower vacancy rates as positive decisions that support retention, recruitment, and quality.
- **MC's single-site model provides strong operational efficiency** - Governors recognise the advantages of running all provision from one campus, which is unusual in the sector and supports streamlined operations.
- **Construction & engineering provision shape financial patterns** - A high proportion of construction/engineering programmes means higher government income—and higher EPA costs—which must be factored into planning.
- **Investment decisions should prioritise student experience and reputation** - Several reflections emphasise avoiding low-quality temporary spaces (e.g., portacabins), reinforcing that learning environments communicate expectations and reputation.
- **Capital investment should avoid unnecessary long-term debt** - Governors prefer using existing cash rather than incurring “mortgage-style” borrowing, aiming to “sweat the asset” and remain flexible for future needs.
- **Planning must balance current demand with future strategic direction** - Reflections highlight the need to respond to obvious current pressures (e.g., TTE capacity) while ensuring investments also support future learner demand and institutional priorities

Z Lewis drew the session to a close with key messages recapped and the focus for day 2 outlined.

### **7. Any other Business**

- Dinner was confirmed for 7.30-8pm
- L Woods, on behalf of the Governing Body, thanked all contributors for an engaging and thought provoking day.

*The day's session ended at 6.15pm*

## DAY TWO

### 1 (Apologies) and 2 (Declarations) as noted on page 1

### 3 Shaping our Priorities

#### Recap and Reflections

Z Lewis introduced the second day strategic session and outlined the **Top 10 Cross System Consensus Themes from Governors feedback:**

- **The College Must Stay Agile Amid Constant Policy Change** - Across national policy, Ofsted, FE oversight, HE, and finance discussions, governors consistently emphasise that the environment is volatile and MC must remain adaptive, scenario-plan, and avoid rigid commitments.
- **Demographics & Labour Market Reality Must Drive Strategy** - Declining future cohorts, rising need in vulnerable groups, local labour mismatch, and NEET pressures mean MC must shape its offer around *real* local need — not national aspirations alone.
- **Inclusion, Safeguarding & Support for Vulnerable Learners Are Central to MC's Mission** - Whether through Ofsted, NEET provision, curriculum planning or community role, governors repeatedly frame inclusion as a “non-negotiable” strategic pillar for success.
- **Employer Engagement & Real Work Preparation Need Strengthening** - Employers want “job-ready” skills but do not provide experience; qualification reform is misunderstood by businesses; and L3→L4 progression barriers limit growth in higher skills.
- **AI Is Reshaping Entry-Level Jobs, Curriculum, and Assessment — and MC Must Respond Proactively** - AI reduces entry-level jobs, changes skills needs and affects academic integrity. Governors see AI literacy as essential for students and staff.
- **Financial Stability Must Enable Strategic Investment Without Long-Term Burden** - Governors stress maintaining cash strength, avoiding unnecessary debt, making value-for-money decisions, and aligning investment to both quality and sustainability.
- **Estate & Space Decisions Should Enhance Quality and Support Future Flexibility** - Space optimisation, high-quality environments, and flexible estate planning are considered essential to future-proof MC, not just to solve immediate pressures.
- **Collaboration Across FE Is Essential — but MC Should Protect Its Autonomy** - Governors see consolidation pressures rising but believe MC must maintain strong local partnerships *while also being prepared* for FE Commissioner-led restructuring.
- **Communicating MC's Impact to Stakeholders Is Mission-Critical** - Whether showcasing NEET success, explaining Ofsted outcomes, or reporting financial decisions, governors stress proactive communication to parents, staff, TVCA, DfE, and the community.
- **MC Has a Strong Civic Duty — and Should Continue Doing the “Right Thing” for the Community** - Across NEETs, HE, and national/local policy reflections, governors consistently describe MC as an anchor institution whose moral leadership matters as much as financial performance.

Governors discussed the key themes: notably how to address short term need whilst preparing for longer term changes; further use for space (e.g. evenings etc.); and whether a new strategy should be shorter or longer in light of the demographic change, and significant change and rapid pace of the change over coming years socially and economically more widely.

**Consultation - Perception, Values and Brand** – G Thomas and R Mottram from Pro Excellence introduced the session by detailing the context, purpose and scope of the project and evidence base (over 5000 responses) which tested the perceptions of students, staff and external stakeholders, and would provide Governors with insight into the evidence informed overview of both internal and external stakeholder perceptions of MC, its values and branding, to support discussion on the development of the next strategic plan.

Perception Key Findings were shared:

- Staff – considered the College to be a trusted anchor institution
- Students – views highlighted the support of the College and staff to them and that the College had a strong reputation
- Stakeholders noted a strong civic role with visible leadership. Employers believed the College could be bolder in messaging of its achievements
- Reputation strengths and weaknesses were detailed and discussed

Three strategic recommendations were given:

1. Protect reputation through consistency - consistent and learner and staff experience across all sites and settings.
2. Protect internal reputation by improving staff facilities, ensure consistency of T&C's and help to prioritise workload.
3. Extend external confidence. Build recognition and confidence with employers and partners both t locally further afield by being bolder in celebrating what you do well.

Governors noted and discussed: that the College had worked hard to establish itself as an anchor institution with a consistency of direction and purpose and it was pleasing that this was seen by key stakeholders; potential strengthening of Marketing for the College (benchmarked as a low area of spend) and what this might look like and reach of this activity; the differing offers of local provision and the potential to focus on what the College specialises in/does well within that; authenticity of messaging and key audiences for awareness building.

Perceptions of the current Values were shared, along with the purpose for the values within the strategic plan and what this meant for the variety of stakeholders. A summary of the four key strands evidenced in the feedback was shared:

- Inclusive, Supportive & Belonging
- Respectful & Professional
- Ambitious
- Innovative & Collaborative

In addition, key considerations and actions were detailed to ensure values sat at the heart of the strategy.

Governors discussed this in some detail considering the feedback that there were too many currently (which was agreed), that some were somewhat generic in nature, and that some aspects could be developed particularly for external or new stakeholders (e.g. ambition).

Brand perceptions from the key stakeholder groups were shared which gave some obvious areas for improvement in terms of consistency and brand fragmentation which weakened the clarity around the brand despite a strong and trusted provision. Governor discussed elements of this notably communications, consistency of logos etc. and the potential for a College motto (with some ideas around this).

Z Lewis confirmed that some future options would come to governors in due course for consideration.

### **Strategic/Investment Priorities for next Plan**

Z Lewis gave a brief summary of the discussions and considerations over the past day and the College's current strong position to respond. She introduced the investment considerations gathered from CMT/SLT discussions which had resulted in 6 possible areas as outlined below:

- Harmonise business support pensions
- Additional 1% pay for all
- Business support and Apprenticeships investments
- Improve 6<sup>th</sup> form pay
- Increase pastoral roles
- Job evaluation/workforce development/employer assistance programme expansion

Governors workshopped the options in groups with feedback shared which included:

- Possible extension of Thrive programme to include financial knowledge
- Possible investment of a post for AI development (staff and students)
- Consideration of a Business Support pay spine
- QTLS/Careers/ALS low cost support
- increase spending on Marketing and branding
- more innovation on staff rooms and spaces
- social space for students particularly with growth
- develop careers and investment to support future mandatory elements in relationship and sex education and enrichment
- the impact of curriculum reform on Sixth Form and implications on staff retention
- pension fund changes
- further benchmarking in relation to the various cohorts of staff pay

### **Agreement**

1. that harmonization of pensions be supported as a top priority and implications and impact of this particularly in relation to fairness and morale
2. pay 4% instead of current 3% in plan or alternatives (such as one off not consolidated) and potential impact of this on future budgeting/staff morale/retention

Z Lewis concluded the two day session confirming that SLT would debrief after the residential and come back to the Governing Body with further plans through the usual governance processes over this year.

## **4 Any other Business**

L Woods thanked all for their time, involvement and support over the two highly productive days.

The full presentation pack was shared with governors after the meeting.

*The meeting ended at 12 noon*