

## Minutes of the Finance & Resources Committee Meeting at 4.30pm on 07 July 2025

Present: Shahalam Ali, Alex Dartmouth, Graham Goddard, Tim Jackson, Aston Muff (student governor. Left at 6.35pm), Anne Murphy (temporary Chair) & Rob Nitsch

Apologies: None

In Attendance: Mickiela Blake	Director of People & Organisational Development (Mins 240-245)
Katy Quinn	Principal & CEO
Paola Schweitzer	Director of Governance
Maria Vetrone	COO
Michael Annis	Employee Engagement & Wellbeing Partner (Mins 240-245)

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### Minutes

#### 240 Attendance and Participation

There were no apologies. Prior to the meeting Anne had volunteered to chair the meeting in the absence of a permanent chair.

#### 241 Declarations of Interest

There were no declarations of interest.

#### 242 Minutes

The minutes of the meeting held on 03 March 2025 were **Agreed** as a correct record.

#### 243 Matters Arising

**Minute 238: Summary of Statutory Settlement Payments:** Would be covered under item 5.3. Governors **Noted** that all other matters arising were closed or completed.

#### 244 HR Update including Dashboard (paper 799/25/F&R)

This report provided an update on the HR strategy including strengths, weaknesses and potential strategic risks as well as KPIs for 2025/26.

Previously the Committee had asked to meet with the Employee Engagement & Wellbeing Partner. Anne welcomed Mike to the meeting, inviting him to outline the key issues. Mike stated that in common with organisations across Europe, approximately 200 staff (out of 750) were experiencing mental health challenges. The College offered support so staff were able to stay in work (which provided a structure and could support wellbeing). Since his appointment a year ago, issues raised by staff had changed from merger to communication (scored low in the recent staff survey). Further analysis was required to understand exactly what the issue was but embedding an effective communication framework across the College would be a focus in 2025/26.

One governor noted the improved retention data and Mickiela agreed what whilst turnover was now below the sector average, staff leaving within 12 months of appointment remained too high. One governor noted the low exit interview rates which were critical to understanding why people were leaving. In response to a question, Maria confirmed that the College tried to avoid using agency staff, but it was not always possible. Mickiela clarified that whilst teacher training was compulsory, it was not always possible to start training immediately. Finally, one governor asked why the appraisal response rate target was only 80%. Mickiela explained 100% wasn't feasible as some individuals (eg associate lecturers or those on probation) weren't required to have them. Governors **Noted** the HR update including dashboard and EDI data.

## 245 Gender Pay Gap Report – March 2025 (paper 804/25/F&R)

The College's statutory reportable pay gap data as at 31 March 2025 was a mean gender pay gap of 11.8% and a median gender pay gap of 26%. The report provided further details and outlined the College's commitment to reducing the gap. Data had improved from the previous year but there was still work to do. One governor asked if the challenge was due to societal issues or recruitment/promotion and Mickiela believed both were factors. Another governor noted that the proportions in different quartiles were not significantly different to the previous year's data (as at 31 March 2024), but the gender pay gap had improved quite a bit. Katy believed this was due to the single pay table and the rise in national living wage which led to uplifts to other roles. Further work concerning job families was in the work force development plan and was likely to lead to further improvement. Having assured themselves that the College was addressing the pay gap appropriately, governors **Noted** the gender pay gap report (March 2025).

Mickiela and Mike left the meeting.

## 246 H&S Report (paper 800/25/F&R)

Key points to note from the Health & Safety (H&S) report were:

- A Head of H&S post was being re-advertised following the departure of the H&S manager in May 2025, two weeks after joining the College
- The H&S consultant was expected to complete the review of all risk assessments by the end of June 2025. After this individual departments would take ownership of their risk assessments
- There had been a significant increase in the reporting of accidents, incidents and near issues since the Parago system was rolled out in November 2024
- A RIDDOR report incident occurred at North Harbour Campus in March 2025.
- The College was satisfied that it had identified all applicable H&S legislation and was reasonably satisfied that it was meeting its H&S compliance obligations.

Graham, as the H&S lead governor, expressed his concern at the implications of the H&S manager leaving, noting that the H&S team had not had a full complement of staff since he had been a governor. Maria stated the manager was new to the FE sector and she believed he had been overwhelmed with the scale of the job, in particular the risks associated with North Harbour Campus. It was challenging to recruit specialists in this area, but management was hopeful that with an uplift to the title and a H&S Advisor reporting into the role, recruitment was possible. The risk was being closely monitored. The College had the right processes, systems and structures in place and existing

arrangements with the external consultant were robust and effective. Katy noted that there had been a recent positive cultural shift concerning H&S within SMT.

There was a discussion about the RIDDOR incident, with Maria stating that the College had taken the incident extremely seriously and commissioned an investigation which had led to intervention with several managers. The injured member of staff was OK. The Health & Safety Executive (HSE) were not taking any action. The incident raised serious concerns about H&S culture, including lone working, at the North Harbour Campus which were being addressed. In response to questions, Maria stated that the Estates Team were now responsible for ensuring the North Harbour Campus alarms were reactivated and that, as raised at Student Voice, the men's toilets in the Tower were regularly checked. In response to a question, Maria stated that analysis of near misses was being developed. Having scrutinised the report, particularly for legal compliance, data and H&S risk assessments and work place inspections, governors **Noted** the H&S report. Governors welcomed the progress being made in this area.

## 247 Management Accounts (paper 801/25/F&R)

The management accounts tracked in year progress against the delivery of the budget. The accounts included year to date (YTD) actuals as at 31 May 2025, which indicated an operating surplus of £337k. This was favourable to YTD budget by £670k. The forecast outturn indicated an operating surplus of £466k, favourable to full year budget by £736k. Maria confirmed that the metrics looked good at this point in the year and to the end of the year.

The 2024/25 budget included a consolidated staff pay award of 2.5% and this had been paid from January 2025. A small number of NEU members had proposed the pay award was backdated as a one off non-consolidated payment to September 2024 and would ballot for strike action if this was not agreed. Backdating the pay would cost an additional c£155k and would negatively impact the College's operating surplus down to £311k. Maria stated that in her role as COO and strategic finance lead, she did not recommend that the staff pay award was backdated because the College's cash balances were inherently too low after unspent capital grants were stripped out, something that was continuously pointed out by the College's external auditor. Governors discussed the advantages and disadvantages of backdating the pay award and raised the following points:

- Importance of not compromising the College's finances and particularly within the context of the SPA process. Some governors believed this meant prioritising the College's cash reserves over a pay award
- Importance of working with unions to maintain positive and constructive relations but equally, ensuring any pay award was affordable and motivated by the right factors, not through fear of strike action
- The additional payment would constitute a relatively small amount for each member of staff and would be subject to pension, NI and tax contributions
- Possibility of changing the financial year (January – December or April - March) so affordability could be assessed following enrolment. Changes would create additional work for payroll staff.
- Possibility of linking a pay award to performance although this was complicated to establish and not common in the sector.

Governors **Agreed** that they would return to the matter at their following meeting when considering the 2025/26 budget. Anne asked that Maria give a verbal update at that

meeting on the impact and advantages/disadvantages of changing the pay year as well as figures for different backdating pay award options.

Governors commended management on the careful management and level of discipline to hold the 65% pay expenditure as a percentage of income metric. Another governor noted the importance of reinvesting in the student experience to which Maria responded that cash generation and cash balances need to be larger to be able to continue to invest in the College's student experience and which was why preserving cash was key to the College's continued financial recovery. Having scrutinised the May 2025 management accounts in particular the KPIs, adverse variances and operating deficits, forecasts to year end, emerging financial risks and mitigating actions, governors **Noted** the report.

#### 248 ESFA Review of Financial Statements 2023/24 (paper 802/25/F&R)

Following DfE confirmation of the College's financial health as *Good* for 2023/24, the DfE had produced financial benchmarking dashboards. They confirmed significant improvement in the College's financial health since merger. Maria noted that the governing body dashboard had recently been published and would be circulated to governors. Governors **Noted** the ESFA review of financial statements 2023/24.

#### 249 External Audit Plan 2024/25 (paper 803/25/F&R)

The 2024/25 external audit plan outlined the approach to the financial statements audit for the year ending 31 July 2025. The external auditors had presented the plan to Audit Committee and it had been discussed in detail. It was standard audit, with very few changes to the previous year. One governor asked about benchmarking the cost of the audit, to which Maria replied that Alliotts had been appointed following a tender process three years ago for a period of three years plus two years and they provided good value for money. Maria reminded governors that she assessed value for money through a sector analysis annually in November which was presented to the Committee. Governors **Agreed** the external audit plan 2024/25.

#### 250 Curriculum Plan 2025/26 (paper 805/25/F&R)

This report outlined the annual curriculum planning process and outcomes, namely what, why and how the College would deliver its business in 2025/26. The plan intended to, amongst other things, deploy teaching resources efficiently and appropriately, respond to local, regional and national skills needs, maintain standards and the quality of provision and monitor progress to facilitate in year adjustment. The plan supported academic and technical skills, personal development, careers awareness and personal progression. The outcome of the curriculum planning process was presented to Corporation in March 2025 and L&Q Committee had considered the plan from the curriculum perspective. One governor welcomed the opportunity to review the plan from a financial performance perspective. Maria reminded governors that the curriculum plan was predominantly produced as the starting point for the preparation of the College's annual budget and contained detailed information on College funding and direct teaching costs. Maintaining a 64% overall College financial contribution was key to maintaining financial health. Governors noted the planned numbers for 2025/26 (3589 against an allocation of 3423) and that 500 apprentices were provided for in the plan, the majority of whom would be recruited from levy organisations. One governor asked about the value of sub-contracting with Pompey in the Community (PitC) and asked if it provided a sufficient return. Management

believed that the College's relationship with PitC was important as it added to curriculum provision, engaged with harder to reach students and was part of the wider city/community landscape. Further information would be circulated to governors. Having scrutinised the curriculum planning process, particularly the movements in funding allocations, student number targets, financial contribution and performance against last year's plan, governors **Noted** the curriculum plan 2025/26.

**251 Regularity Framework (paper 806/25/F&R)**

Governors **Noted** the changes to the regulatory framework, in particular the fact that the Chair of Corporation was no longer required to sign the Statement of Regularity, Propriety and Compliance (now the sole responsibility of the Accounting Officer).

**252 Review of Financial Regulations (paper 807/25/F&R)**

Governors reviewed the updated Financial Regulations, raising points of clarity concerning responsibilities to staff and the risk manager. Only minor amendments were proposed. Governors **Agreed** to recommend the Financial Regulations to Corporation for approval.

**253 Terms of Reference and Business Plan (paper 808/25/F&R)**

This report reviewed Committee performance against its terms of reference in 2024/25 and to ensure they remained fit for purpose. The only change proposed was to reduce oversight of companies/joint ventures from every term to annually on the basis that the College's only subsidiary company, COPC Enterprises Ltd, was dormant. One governor did not believe the Committee gave due consideration to IT infrastructure and it was therefore **Agreed** that an annual report would be considered by the Committee in the spring term. With regards to the digital strategy, one governor welcomed the opportunity for a digital strategy spotlight. Governors **Agreed** to recommend the Committee's terms of reference, with one amendment, to Corporation for approval and, with the additional of an annual IT report, **Noted** the 2025/26 business plan.

**254 Subcontracting Supply Chain Fees & Charging Policy (paper 809/25/F&R)**

The Subcontracting Supply Chain Fees & Charging Policy related to the College's sole sub-contracting partner, PitC. There was a discussion about the merits of a more generic subcontracting policy, that didn't reference PitC but Maria stated the College only subcontracted with PitC and did not intend to expand its subcontracting provision. The policy had been audited and changes made which were included as tracked amendments. Maria confirmed that PitC were subject to lesson observations and quality controls in line with all provision. Governors **Agreed** to recommend the Subcontracting Supply Chain Fees & Charging Policy to Corporation for approval.

**255 HE (paper 810/25/F&R)**

This report concerned the annual review of HE documentation as required by the Office for Students as a condition of registration. The documents were:

- Student Protection Plan summarising protections to HE students in the context of specific eventualities and risks to their studies
- HE Refund and Compensation Policy outlining tuition fees applicable to HE courses at the College.

No significant changes were proposed and both documents had been reviewed by HE strategic and operational groups. Governors **Agreed** to recommend the Student Protection Plan and HE Refund & Compensation Policy to Corporation for approval.

## 256 Summary of Statutory Settlement Payments (paper 811/25/F&R) **CONFIDENTIAL**

This report summarised the nature and value of all statutory settlement payments made to staff for the year ending 31 July 2025 to date.

Maria stated that an additional non-contractual payment of £13,738.63 following a resignation needed to be added to the schedule. Other figures were correct. All payments in the schedule would be audited as part of the external audit of the College's financial statements. In response to a question, Maria confirmed that all settlements in the schedule were compliant with MPM. One governor referred to the entry discussed at the last meeting concerning the Business department, noting that it was a significant settlement for a resignation and particularly with the additional non-contractual payment discussed bringing the total settlement to £41k. There was a discussion about the nature of the resignation and the background to this settlement (which had involved early ACAS processes) and the total figure awarded. Maria stated that this particular settlement in November 2024 had triggered a change in process to strengthen College processes for agreeing settlement payments to staff. Another governor was reassured that the appropriate policies and procedures were in place and asked how management would ensure the situation wouldn't happen again, to which Maria responded that HR were clear that all payments needed reporting to herself with appropriate documented legal and financial advice to allow the College to make informed decisions about the payment of compliant settlement payments or the option of proceeding to employment tribunal/court action. Governors believed it was appropriate and necessary in some circumstances for management to have the ability to award settlements as long as they were compliant with MPM. Having scrutinised payments to staff, particularly compliance with MPM, governors **Noted** the summary of statutory settlement payments.

The meeting ended at 6.40pm.