



to *requires improvement* in 2023/24 and working towards *good* in 2024/25. Governors welcomed this data and the improving trend but noted that the College continued to have a *Financial Notice to Improve*. Rob stated governors would have a strategic choice when setting the 2023/24 budget: to prioritise financial recovery or quality of education. Paola would revisit the Committee's meeting cycle to ensure this letter was considered in a timely manner.

Governors **Noted** the ESFA's assessment of the College's financial health.

#### 118 Curriculum Planning 2023/24 (paper 399/23/F&R)

Maria presented the curriculum planning process and outcomes for 2023/24, noting that integrated curriculum and financial planning was the College's core business cycle during which it worked through what, why and how it would deliver its business.

Curriculum planning was carried out to control teaching costs, deploy teaching resources efficiently and appropriately, respond to local, regional and national skills needs and to maintain standards and quality of provision. It was a continuous cycle with in-year adjustments. The [presentation](#) outlined the curriculum planning process, funding allocations, curriculum contributions, staffing and non-pay costs and new and removed courses in 2023/24. Governors welcomed the progress made with out of funding apprentices and asked Learning & Quality Committee to continue to monitor this area closely. Maria stated the risk of clawback on apprentices, high needs and advance loans was low.

Governors were assured of the curriculum planning process and comfortable with its risks and assumptions and **Noted** curriculum planning for 2023/24.

#### 119 HR Update (paper 402/23/F&R)

Maria noted that this was the last HR update produced by the outgoing Director of People and Organisational Development. A new director would start in August 2023.

The update reported for May 2023 on progress against 2022/23 operational people priorities and provided turnover, sickness and equality data. Maria provided an update on progress concerning the College's new management structure which would be in place from 01 August 2023, noting that attention was turning to training and development to ensure staff were able to deliver in the new structure. There would be further discussion on the higher than sector average sickness absence when full year data was available. A more rigorous recruitment and induction process was now in place to better support staff and therefore reduce the numbers leaving within a year. Governors discussed the risks of an older workforce and noted the low disability reporting.

Governors **Noted** the HR update and given the importance of the issue, suggested that a future meeting focus on HR.

#### 120 Subcontracting Fees & Policies Supply Chain Policy (Paper 403/23/F&R)

The Subcontracting Supply Chain Fees and Charging Policy 2023-34 ensured that the College's sub-contracting activity was compliant with ESFA guidelines.

Sub-contracted provision could support the College in providing a broad and flexible mix of provision for students, employers and the wider community and enhance existing provision. The policy provided the overarching principles and rationale for sub-contracting as well as setting out due diligence and quality processes. Maria confirmed that sub-contracting decisions required Corporation approval. Governors asked that the policy was consistent with ESFA definitions and the distinction between a data controller and data processor clarified. Further information about the College's sole sub-contractor, Pompey in the Community, would be circulated after the meeting.

Governors **Approved** the Subcontracting Fees & Policies Supply Chain Policy and **Recommended** it to Corporation for approval.

#### 121 External Audit Plan 2022/23 (paper 404/23/F&R)

Maria presented the external audit plan 2022/23 outlining the external audit approach to the financial statements audit for the year ending 31 July 2023.

Alliotts would undertake the external audit and the plan summarised their approach, significant audit risks and areas of key judgement. Audit Committee had approved the plan and recommended it to Corporation. Audit Committee, as the statutory committee, focused on audit process and governance and Finance & Resources Committee focused on the financials. There was a brief discussion about the audit risks identified.

Governors **Noted** the External Audit Plan for the year ending 31 July 2023.

#### 122 ESFA Accountability Agreement (paper 405/23/F&R)

The ESFA accountability agreement (formerly known as the Conditions of Funding Agreement) provided the framework within which the College was required to operate. There were no major changes from the previous year's framework. Governors **Noted** the ESFA accountability agreement 2023/24.

#### 123 ESFA Funding Rules (paper 406/23/F&R)

The ESFA published separate funding rules for each programme area. There were no significant changes from the previous year's rules. Governors **Noted** the ESFA funding rules.

#### 124 College Accounts Direction (paper 407/23/F&R)

The ESFA College Accounts Direction identified how colleges were required to prepare their financial statements in 2022/23. It had been updated following the reclassification of FE colleges into the public sector. Significant changes were identified in the report relating to the incorporation of requirements from the new HM Treasury 'Managing Public Money' (MPM). Governors **Noted** the College Accounts Direction.

#### 125 Post-16 Audit Code of Practice (paper 408/23/F&R)

The Audit Code of Practice set out common standards for the provision of assurance in relation to funding of post-16 providers. It had been updated following the reclassification of colleges into the public sector. Significant changes were identified in the report relating to the incorporation of requirements from the new HM Treasury MPM. Governors **Noted** the Post-16 Audit Code of Practice.

## 126 Report on Subsidiary Companies (paper 409/23/F&R)

Maria provided an update on the College's subsidiary companies and in particular activity to streamline the group structure and dissolve superfluous companies.

Following a Corporation decision in December 2022, four of the College's subsidiary companies had been dissolved leaving one, City of Portsmouth College Enterprise Ltd (formerly Highbury Apprenticeships (Birmingham) Ltd), as a vehicle for any future commercial activity. Further information on the remaining subsidiary company in Nigeria would be brought to the Committee in due course once all debt collection and enforcement actions have been exhausted to recover outstanding debt. In response to a question, Maria clarified that all associated liabilities had been provided for and audited. There was therefore no impact on the Group financial accounts.

Governors **Noted** the report on subsidiary companies.

## 127 Marketing Strategy (paper 410/23/F&R)

Maria presented the College's first marketing strategy, noting that marketing was critical in driving sustainable growth. The strategy, an internal document, supported the strategic objectives and would be underpinned by implementation plans.

Governors welcomed the strategy and made several observations including the importance of diversity and locality in the images, the value of segmenting the approach to different aged populations and the role of social media. Governors suggested a greater emphasis on the role of advocates (including governors) and on full paying learners and apprenticeships. Governors believed it would be useful for Corporation to meet with the Director of Marketing in the new academic year.

Governors **Noted** the marketing strategy and **Agreed** that it be brought to Corporation (possibly to the next meeting).

## 128 Higher Education (HE) Fees Policy (paper 416/23/F&R)

The HE Fees Policy regulated the level, collection and administration of tuition fees for the College's HE courses. The College's HE fees were, in accordance with Office for Students (OfS) requirements, capped at £6k per annum and applied to direct provision (as opposed to provision delivered with the University of Portsmouth). Fees were in line with courses in the region. Governors asked that the policy clarify steps to be taken in the event of non-payment and reference the OfS as the independent adjudicator.

Governors **Approved** the HE Fees Policy and recommended it to Corporation for approval.

## 129 HE Refund & Compensation Policy (paper 411/23/F&R)

The HE Refund and Compensation Policy outlined the circumstances in which the College would make a refund against tuition fees paid by students on HE programmes and the situations in which compensation might be paid.

Governors **Approved** the HE Refund and Compensation Policy and recommended it to Corporation for approval.

**130 HE Student Protection Plan (paper 412/23/F&R)**

The HE Student Protection Plan sought to reassure current and prospective students that the College was committed to upholding the interests of all learners and had the necessary arrangements in place to protect the quality and continuation of all courses. Anne confirmed that the plan looked good and that the risks were low given HE student numbers. She noted the importance of building meaningful consultation with students early as risks predominantly concerned students' unmet expectations.

Governors **Approved** the HE Student Protection Plan and recommended it to Corporation for approval.

**131 Financial Regulations Update (paper 413/23/F&R)**

The financial regulations provided control over the College and its companies' resources and provided management with assurances that resources were being properly used to achieve the strategic objectives. Changes to the regulations included banking arrangements, income, bad debt and collection of debt and expenditure as well as changes following the reclassification of colleges.

Governors gave in principle **Approval** to the financial regulations and recommended them to Corporation for approval. The document containing the tracked changes would be circulated and the matter confirmed at the next meeting.

**132 Terms of Reference Review & Business Plan (paper 414/23/F&R)**

Paola presented the annual review of the Committee's terms of reference, ensuring they were fit for purpose and to consider the 2023/24 business plan.

Governors agreed that health & safety be considered by the Committee. There was a brief discussion about the Register of Interests with governors agreeing that it be considered by Search & Governance Committee annually, following recruitment of new governors and when the Director of Governance believed there was a concern.

Governors **Approved** the terms of reference, with some amendments, and **Noted** performance against its terms of reference in 2022/23 and its 2023/24 business plan.

**Minute 133 was confidential.**

**134 Estates & Sustainability Committee Minutes: 08 March & 16 May 2023**

Governors **Noted** Estates & Sustainability minutes from 08 March and 23 May 2023.

Rob thanked governors for their time and asked them to reflect on the following prior to the next meeting: the College's educational offer and financial health grade were *requires improvement*, the College had staffed growth, cash days were a challenge and at this stage the College needed to live with its estate challenge, rather than solve it.

The meeting ended at 6.50pm.