Minutes of the meeting of the Board of Corporation held on Tuesday 24 June 2025 at 6:00pm in the Banqueting Hall Kirkley Hall Campus, and via Teams Conferencing

Present:	Louise Bradford, Vice Chair -South (via Teams) Ian Brown Modaser Choudhary (via Teams) Pamela Dawson Louise Doyle Chris Jones Lyndsey O'Leary (via Teams) Abigail Wampamba Nassuna, FE Student Governor Susan Pollard, Staff Governor Alison Shaw, Vice Chair –North (Meeting Chair) James Stuart, Chair (via Teams) Ellen Thinnesen, Chief Executive
In Attendance:	David Howells, Chief Financial Officer Toni Rhodes, Deputy Chief Executive Sonya Anderson, Campus Principal Sunderland College (City) Mike Chapman, Campus Principal Sunderland College (Bede) Lee Lister, Campus Principal Northumberland College (Kirkley) Vikkie Morton, Vice Principal Student Life and Stronger Communities Iain Nixon, Vice Principal Partnerships and Business Solutions Judith Quinn, Campus Principal Northumberland College (Ashington) Naomi Robson, Vice Principal Corporate Services Emma Cottle, Vice Principal Strategy and Engagement Christine Stretesky, Head of Corporate Governance and Policy

Vice Chair Shaw welcomed all to the meeting stating she will chair the meeting as Chair Stuart is attending via Teams.

Bd/24-25/71 Apologies and consent for absence, attendance and declarations of interest

Apologies were received from Katie Carnegie, Julia Fox, Ian Ritchey, and Darren Sterling. The Attendance Report was received and noted.

Meeting Chair directed attention to the Attendance Log noting the importance of strong attendance, she stated the log is a good reflection of where attendance stands among members.

There were no declarations of interest made.

Bd/24-25/72 Minutes of previous meeting held on 13 May 2025 and Matters Arising

The Board agreed the regular minutes of the meeting held on 13 May 2025.

The Board agreed the confidential minutes presented as an accurate record of the meeting held on 13 May 2025 with these minutes being maintained separately.

The Action Log was reviewed and noted. There were no matters arising.

Bd/24-25/73 Chair's reflections on the importance of Strategy Afternoons

Chair Stuart took the opportunity to reflect on the Strategy Afternoon sharing that he, the Chief Executive (CE) and the Head of Corporate Governance (HCGP) discuss and work on the ways we draw members together in person through meetings, strategy afternoons and campus visits to not only make it meet the needs of the Group but make it easy for members to engage. He noted the talent amongst members and the busy work-lives they have which makes it a challenge. He reminded governors of the move to half-day strategy events which was a change made with the hope of increasing attendance, and this has not been the result. The Strategy Afternoons are important events, and low attendance runs the risk of having two distinct groups of governors, those with a strong understanding of the strategy and College and those without who need to be caught up.

The Chair asked all to prioritise these days as these are the days the Board matures as a team and the College as an organisation. He noted in the new academic year we will look to have structured follow-up sessions for those who cannot attend. He asked all governors to prioritise these days as these are days where we as an organisation matures. He asked all to reflect on any of their own non-attendance and come back to him or the HCGP as to what can be done differently. The Meeting Chair added it may be worth a discussion on the barriers to attendance.

The CE thanked the Chair and stated that she and the HCGP will be meeting with those unable to attend today's meeting to catch them up on the decisions made and discussion had.

Bd/24-25/74 College Funding Agreement with the Department for Education

The Chief Financial Officer (CFO) explained Part 1 of the Funding Agreement provides the Terms and Conditions providers need to meet in order to receive funds from the Department of Education (DfE). The CE advised these provide assurance to the DfE that the College is effectively managing public money, protecting learners and practising sound governance. The CFO continued stating Part 1 is the same for all providers and is not unique to the College. The Board asked for the key responsibilities of the Board as found in Part 1 of the Funding Agreement to be circulated to governors. (ACTION: CFO)

The Deputy Chief Executive (DCE) shared Part 2 of the College's Funding Agreement, the Accountability Statement reminding the Board this iteration flows from the formative discussion held at the Strategy Afternoon on 23 May 2025. She noted the agreement sets forth the College's plan to meet local, regional and national skills priorities through connection with the LSIP 1 priority areas. She highlighted the ways in which the Strategic Plan 2030 ties into local, regional and national skills needs including having objectives to:

- Establish Centres of Excellence,
- Collaborate with industry to deliver a future-focused curriculum,

- Enable all to succeed through providing outstanding quality of education,
- Shape and provide real-world opportunities supporting students to progress to employment or higher study,
- Embrace emerging technologies,
- Equip students with critical skills to thrive in a rapidly changing global economy.

The DCE described some key objectives and their planned impact which includes ensuring support to the most vulnerable and disadvantaged in our region through introduction of a Social Cohesion and Community Framework and place-based delivery models. She noted the Accountability Agreement does not have to include all actions and plans the College will take in the next year. The document will be uploaded to our website and shared with the DfE forming part of the Strategic Conversation which, in response to a question from the Board, was confirmed to be held on 10 July with Chair Stuart attending.

Turning to the Board's duty to review the College's meeting of local, regional and national skills needs, she noted the Board does this routinely through the annual review and approval of the curriculum offer, the Strategic Plan development and monitoring and approval and monitoring of progress of HICSA, a centre for modern methods of construction excellence.

The Board agreed the document was well presented and reflects the ambitious plans for the new year in a clear manner setting the right balance between being open yet commercially sensitive. The Board queried whether the Executive Leadership is assured on competitor ambition. The Board discussed further reporting on the progress to achieving the impact anticipated in the Agreement, and suggested it include a reminder of the regional and national priorities, as well as the flexibility the Agreement plan provides to have agility to meet changing needs and priorities. The CE shared the Government dashboard on national priorities and the need to understand those and how the College is reflecting on these. For example, creative arts do not feature yet we are aware of their emerging priority in the North East.

The Board **AGREED** the content and the publication of the document with the addition of HICSA to the list of campuses.

Bd/24-25/75 Campus Based Curriculum Offer for 2025/26

This item was deemed confidential with minutes maintained separately.

The Board AGREED to approve the Curriculum Officer for 2025-26.

Bd/24-25/76 Budget and Financial Forecast

The CFO presented the Financial Forecast, noting the forecast is in line with DfE guidance around content and the key financial schedules attached are directly extracted from the DfE designed College Financial Forecasting Return (CFFR). He confirmed the approach to planning is consistent with previous plans submitted to the DfE.

Key points to highlight include:

- The financial forecast for 2024/25 shows a financial health score of 220 points (Good). Financial Health is at least Good from 2024/25 onwards and we are looking to improve on this in future years.
- The College continues to generate strong EBITDA results.

- The College will not require any financial support or reprofiling of funding by the ESFA.
- The College does not anticipate the need for short term cash support.
- The plan includes capital expenditure for, amongst other things, HICSA (£800k), the Ashington New Build (£2.4m) and most of the £3m Condition Fund Grant due for receipt in June 2025 of borrowing and is gradually reducing the level of net current liabilities.
- Bank covenants have been modelled and the College meets all of the them and anticipates this to continue throughout the year.
- Implementation of the Golden Rules to be tracked by governors to ensure sustainable financial health.
- Implementation of a five-year liquidity plan to set practical measures to improve overall liquidity which includes savings and growth.
- Ensuring staff costs remain below 65% of income with reasonable assumptions made on staff pay awards.
- Offsetting inflationary increases non-staff costs through a number of mechanisms including expanding the procurement function, ensuring curriculum viability and systems re-engineering.
- Any asset sale is too speculative to include in the forecast.

The HCGP shared Governor Fox had asked the following comments and question be shared: the forecast and budget are comprehensive and, as in previous years, look like they factor in a significant amount of prudency. Governor Fox had a query on the improvement in the current ratio across the next two years, as what is being projected is a much faster rate of improvement than what has been seen historically; are we confident this will be the case? The CFO responded this was due to previous years' work of prudently budgeting due to weak liquidity and that along with work to increase growth are now gaining traction to improve the situation.

The HCGP shared an additional question received from Governor Fox on the reconciliation at appendix 2 which does not appear to incorporate any T Level clawback, is this because the in-year FE allocation is already adjusted? The CFO confirmed the clawback happened in April so, as it was done in-year, it does not need to be reflected here.

The Board thanked the CFO and his team and all of the Executive Leadership for the amount of work they have done to get this point today where the College is sustaining Good financial health.

The Board asked about unfunded learners and whether there are benchmarks to provide governors with a sense of how the College compares to other colleges in the region. The CE stated there is no benchmark data but reassured the Board that the issues that come with unfunded learners around staffing and keeping staffing costs down is felt by all colleges and this is talked about with the DfE. The Board expressed concern for the student experience where colleges do not have adequate in-year funding.

The CE shared a conversation held at the last Triumvirate meeting on the College's readiness for a rapid decline in the 16-18 demographic in the Boart East and suggested this be added to the agenda for the September meeting. (ACTION: HCGP)

The Board received and AGREED the updated Budget as proposed by the CFO.

The Board AGREED to approve the CFFR for submission to the DfE.

Bd/24-25/77 Committee Recommendations

The HCGP confirmed there were no requests to single any items out for discussion. She highlighted that the Governance Committee is not recommending approval of the Higher Education DAP Oversight Committee Terms of Reference and asked her to work with Executive Leaders to ensure the focus is on degree awarding readiness rather than the application process. The HCGP confirmed this would be completed over the summer months for presentation early in the new academic year.

The Meeting Chair asked for confirmation that the following items based on the recommendations of a committee were approved:

- Item 77a - Financial Regulations 2025
- Item 77b – Local Government Pension Scheme Policy
- Item 77c - High Value Contracts- Subcontracting: Sora Services (£752,000) and NC Group (£700,000)
- Item 77d -Modern Slavery and Human Trafficking Statement
- Item 77e - Re-appointment of Internal Auditors
- Item 77e - Re-appointment of External Auditors

The Meeting Chair asked if the following items were acknowledged by the Board:

- Item 77g - Anti-Fraud, Bribery and Corruption Policy and Response Plan
- Item 77h - Harassment and Sexual Misconduct Policy

Bd/24-25/78 Board Appointments

The HCGP presented the item noting the Board is the appointing authority for the Corporation. She noted a change to the item, the removal of the appointment of members to the HE Degree Awarding Power Oversight Committee. Moving to membership appointments, the Meeting Chair asked the Chair to leave for discussion on his re-appointment.

Chair Stuart left at this point.

The HGCP noted the Governor Stuart has expressed an interest in a second term of four years which will end 30 July 2029. The Meeting Chair asked if all were in favour of the re-appointment of Governor Stuart. The re-appointment of Governor Stuart was unanimously agreed.

Chair Stuart returned to the meeting at this point.

Governor Pollard shared her thoughts on the Staff Governor interviews noting how each candidate represented the College very well and all were extremely enthusiastic about the new Strategic Plan. The HCGP advised that the Governance Committee were recommending the appointment of Jessany Dumble as Staff Governor to commence 1 October 2025 for a term of four years. Governor Pollard’s term ends at the end of October 2025 and the overlap allows for the new staff governor to shadow Governor Pollard for the first meeting aiding in onboarding. The Meeting Chair asked if all were in favour of the appointment of Jessany Dumble as Staff Governor. The appointment was unanimously agreed.

The HCGP shared the Governance Committee’s recommendation of Governor Dawson be appointed to the role of Senior Independent Governor (SIG). The Meeting Chair asked if all were in favour of the appointment of Governor Dawson as SIG. The HCGP reminded the Board of the role of SIG and its purpose to have someone on the Board that, should there be concerns with the Chair, members could turn to and someone to hold the Chair's performance conversation. The appointment was unanimously agreed.

Shifting to the appointment of Chair, as the current Chair's first term is coming to an end, so too is his term as Chair. The HCGP confirmed he is eligible for re-appointment as Chair and has expressed a desire to remain as Chair. The HCGP shared the process requires a nomination and second followed by a vote of the Board. The Meeting Chair asked if there were any nominations. Governor Pollard nominated James Stuart as Chair with Governor Jones seconding the nomination. A vote was taken with the Board unanimously voting to appoint James Stuart as Chair.

The HCGP suggested that due to time concerns and the need to ensure a robust discussion, the discussion of the roles of Vice Chairs and how that may look be deferred until the September Special meeting. The Board agreed to defer this discussion.

Bd/24-25/79 EPNE QIP Mid-Year Progress Report

This item was deemed confidential with minutes maintained separately.

AGREED: to note the content of the report.

Bd/24-25/80 HE QIP Mid-Year Progress Report

This item was deemed confidential with minutes maintained separately.

AGREED: to note the content of the report.

Bd/24-25/81 Management Accounts and Golden Rules

The CFO delivered the Management Accounts and Golden Rules noting both went to the Finance Resources and Projects Committee at its last meeting. He noted for the Board, the extraction of certain tables and metrics used to help the Board to find reassurance the College is operating at a financially sustainable manner. With regard to both he highlighted:

- Educational EBITDA for the nine months to April 2025 is £4,947k (10.39%)
- Pay is running at 64.9% of income
- Adjusted current ratio is 0.93
- Cash balances are £4.8m (31 cash days)
- Borrowings are 14.9% of income
- The College is compliant with its Golden Rules
- The overall financial health is a relatively strong Good at 220 points

Noting the presentation was a new way for the Board to receive the Management Accounts, the Board agreed this was an appropriate way and welcomed the change. The HCGP reminded the Board that Monthly Management Accounts are uploaded each month to the Governor's SharePoint site.

The CFO continued stating the FE Commissioner sent a letter to all FE providers giving an update to the FEC Financial Benchmarks. He reminded the Board the benchmarks are not requirements or rules but are benchmarks which are good to follow to lead to financial sustainability. The FEC has reviewed three benchmarks, taking the decision to revise two: Cash Days in Hand increased to > 40 days and reduce EBIDTA to 6%. The third reviewed benchmark, Staff pay as a percentage of income has remained the same.

Reviewing the new benchmarks against EPNE's Golden Rules, the CFO stated he proposes the benchmarks and thresholds found in the Golden Rules remain the same.

The CFO explained the reviewed FEC Benchmark of 6% for EBIDTA is insufficient for the College with the 10% found in the Golden Rules more appropriate marker of health. Even though the benchmark did not change, the CFO acknowledged the different benchmarks for staff costs based on the type of College. As we are a general FE College, the 65% is the benchmark is what is found in our Golden Rules. He shared he has run a calculation looking at individual areas in the college such as the Sixth Form and Land Based provision against the percentage of enrolment in those areas and concluded the benchmark would be 66%. This was ignored as this would not align with our prudent approach to finance.

Turning to Cash Days in Hand, he reminded the Board of the discussion and debate around the Golden Rules and the decision to make it 25 days across all months. His recommendation is to stay at 25 days noting we are currently operating at 30-31 days. The Board welcomed that review and asked for more understanding on why we would not be trying to take efforts to increase cash days to 40. The CFO stated the 25 days found in the Golden Rules was developed organically and based on our current working practice with our suppliers whom we have developed good will. He noted this was sometimes a challenge as we have been unable to maintain 25 days cash in hand for every month. He expressed an opinion that moving to 40 days now would feel arbitrary as we have worked and thought about the Golden Rules as a way to measure financial health and he is confident in that work and decision.

The CE shared that merging with two colleges with almost zero cash days in hand it has been a hard journey to get to 25 days and we are not meeting that consistently yet. She continued stating that finances must remain prudently managed and when the time is right, this can be revisited and revised.

The Board agreed with the suggestions and requested the FRP Committee have a strong focus on the Golden Rules in the new year.

AGREED: to note the content of the report.

Bd/24-25/82 FE Governance: Letter from DfE

The HCGP summarised the letter received from the FE Commissioner related to outdated provisions found in Instruments and Articles of Government (Is and As) and recommending their removal. The letter identified the following three provisions:

- Provision restricting the voting rights of those members under 18 not allowing them to vote on proposals regarding the expenditure of money or the entry of any contract
- Provision authorising the Secretary of State to be the appointing authority where membership numbers on a board of corporation fall below quorum
- The removal of the UK Corporate Code of Governance as a prescribed code meeting the condition of funding requiring adoption of a code of good governance.

The HCGP shared the outcome of her review of the College's Is and As showing the two outdated provisions are not part of the College's current Is and As. Regarding the adopted code of good governance, the HCGP reminded the Board of its decision to adopt the AoC FE Code of Good Governance. She noted there was no action necessary by the Board.

Bd/24-25/83 Thank you and well wishes

The Meting Chair reminded the Board that this was the last meeting for our two student governors who are completing their programmes.

Turning attention to Governor Nassuna, the Meeting Chair shared her thanks for Abigail's work as governor and complimented her ability to speak up with great confidence, precision and clarity. She specifically noted Abigail's input in the HE Student Governor recruitment where her input was critical, courageous and principled. She concluded stating Abigail's perspective on the Board and CQSE was important and she will be missed

Abigail shared her thanks stating she really enjoyed her time as Governor, that has learned a lot from the experience. She sent a lovely card to the Board which the Meeting Chair read out loud.

Though not present, the Meeting Chair noted the importance of thanking our HE Student Governor Katie Carnegie. Whilst Katie joined later in the year, she still provided a significant contribution. She continued noting Katie's thoughtfulness, and ability to wait and share thoughts at the right time. Her contribution to the Board and CQSE has helped shape HE at the College.

Bd/24-25/84 Project S: Final Report

The Board noted the receipt of the report.

Bd/24-25/85 Draft Minutes of the Committees

This item was deemed confidential with minutes maintained separately.

Bd/24-25/86 Papers from Committees

This item was deemed confidential with minutes maintained separately.

Bd/24-25/87 Any Other Business

There was one item of AOB which was deemed confidential with minutes maintained separately.

Bd/24-25/88 Date, time, and venue of the next meeting

The Board noted the arrangements for the next regularly scheduled meeting as follows:

- Tuesday 14 October 2025 at 6:00pm venue TBD

The Board noted a special meeting scheduled for 11 September 2025 with a tour of HICSA starting at 4:30pm and a meeting to follow.

Bd/24-25/89 Meeting Wrap-up

The Chair asked the governors to reflect on whether they have exhibited the College values during the meeting, asking if they have been courageous, authentic, respectful and pitched for excellence. The Board thanked the Executive Leadership for the way in which the agenda items have been delivered and explained.

The Meeting Chair stated that before closing the meeting, she would like to say a few words of thanks. Recognising what has been achieved by the organisation and the Board in the last year, including two Ofsted Outstanding reports and the Strategic Plan she thanked governors and the Chair for his leadership. She continued reflecting on the volunteer nature of the role, and how through their efforts and willingness to use their skills and knowledge, they have helped achieve amazing things. Upon invitation the Chair shared similar thanks and reflected on the 1:1s he recently had with Governors. He also shared the enthusiasm all staff governor candidates expressed for the new Strategic Plan and what a joy that had been to hear.

The Meeting Chair continued thanking the Executive Leadership stating their efforts and pace of working is not unnoticed. She acknowledged and the Board agreed it is an extraordinary privilege to work with them.

She concluded by giving thanks to the HCGP and the Governance Officer for their efforts in ensuring governance runs smoothly.

The Meeting Chair suggested a letter from the Board conveying its thanks to the whole College community, including key partners, be sent.

There being no further business the meeting closed at 20:21.

These minutes were approved by the Board at its meeting on 14 October 2025 pursuant to minute Bd/25-26/15.