Part 1 Minutes of the Corporation meeting held Tuesday 16th June 2026 at 4.30pm via Microsoft Teams

Members Present:	Kaynat Ahmad	Mphathisi Ncube
	Matthew Collins	Paul Noon (Chair)
	Wendy Davies	Jason Parker
	Mireille Digard	Simka Rifai (item 10 onwards)
	Nirmal Gupta	Liz Sithole (item 10 onwards)
	Paul Hartridge	Sarah Wood
	Diana Martin (CEP)	

In Attendance:
Lisa Cole (Head of Finance)
Rachel Corns (Vice Principal)
Gill Darwood (Director of Governance) (DG)
Debbie Goode (Executive Director Public Affairs and Marketing)
Kathryn Jones (Director of HR)
Louise Jones (Chief Finance Officer) (CFO)
Claire Millard (Vice Principal)

Board administrative matters

1 **Confirmation of quorum**

1.1 The Director of Governance (DG) confirmed that a quorum was present.

2 **Apologies for absence**

2.1 Apologies for absence were received from Liam Butler, Sally Cornfield and Julius Adams.

3 **Declarations of interest**

3.1 There were no declarations of interest.

4 **Minutes of previous meetings**

4.1 The minutes of the part 1 meeting held on 17th March 2026 were confirmed as a true record by members.

4.2 The notes of the development event held on 1st May 2026 were confirmed as a true record by members.

5 **Matters arising**

5.1 There were no matters arising requiring consideration at this meeting.

Matters for assurance

6 **Minutes of Finance and Estates Committee held on 19th May 2026**

6.1 J Parker, as Chair of the Finance and Estates Committee, presented the draft minutes of the meeting held on 19th May 2026, noting a number of items were recommended by the Committee and therefore included on the current agenda. Other matters considered by the committee had included:
- Curriculum efficiency data report from DfE
- Enrolment dashboard review
- Student Union Annual Report and Accounts
- Health, Safety and Fire Management

- Risk register review

6.2 **It was resolved** to note the minutes of the Finance & Estates Committee held on 19th May 2026.

7 DfE financial health review 2025

7.1 The CFO reported that the DfE financial performance dashboard was updated twice a year following an assessment of the finance record and the college financial forecast return. At each of these points DfE reviewed the college's assessment of its financial health and wrote to confirm their assessment. The letter and extract of the view your data dashboard were summarised as follows:

- The DfE had confirmed the College's own assessment of its financial health as Good for the last financial year.
- No significant financial controls concerns had been identified by the DfE, based on the auditor's management letter and audit committee annual report.
- Members were reminded that financial information could be viewed on the View Your Education Data (VYED) portal. The CFO provided a PowerPoint showing the information currently available based on the 2024/25 audited accounts. The key points were noted as:
    - Financial health was good and predicted to remain in that category to 2027.
    - Cash days were expected to remain above the FEC benchmark of 40.
    - The College had outperformed its forecast for financial health every year since 2021.
    - Current ratio was improving and expected to exceed the FEC benchmark in 2026.
    - EBITDA had performed well and while forecasts for 2026 and 2027 were lower than historic values, they remained above the FEC benchmark.
    - Staff costs as a percentage of income remained relatively static, having increased by 1.3% in the 5-year period. At 66.3% staff costs were higher than FEC benchmark but continued to be lower than the sector average.
    - Borrowing continued to decline and debt service cover now fell within the FEC benchmark of 2.

7.2 In response to a question from members, the CFO confirmed that the FEC benchmark for staff costs was 65%, although the sector generally perceived this as a low target and so being slightly above benchmark did not represent a concern.

7.3 The Chair reported that the College's Annual Strategic Conversation with DFE colleagues, attended also by the new Deputy FE commissioner, had taken place the previous week and have been a very positive review of performance in terms of curriculum, financial performance and strategy.

7.4 **It was resolved** to note the assurance provided by the DfE's review of the College's financial statements.

8 Commercially sensitive - Estates and Capital Projects update

This matter is the subject of a separate and confidential minute.

Matters for approval

9 **WMCA College Compact**

9.1 The CEP provided an overview of the WMCA Colleges Compact proposal which detailed a framework to unlock the full potential of the FE sector and drive inclusive, sustainable growth. All colleges in the West Midlands Combined Authority had been asked to sign up to this agreement which represented a public commitment on behalf of the Combined Authority and colleges to deliver on their priorities. It did not represent any change to the College's existing way of working with the Combined Authority and other local colleges.

9.2 **It was resolved** to approve the College joining the WMCA – College Compact proposal.

Liz Sithole and Simka Rifai joined the meeting.

10 **College Financial Forecasting Return (CFFR) and 2026/27 budget**

10.1 The CFO presented the 2026/27 budget and College Financial Forecasting Return, noting that these had been prepared in line with the DfE College Financial Planning Handbook and were aligned to delivery of the College's strategic priorities. Members noted that the budget was based on confirmed funding allocations or prudent estimates where these had not yet been confirmed. Income assumptions reflected planned student recruitment and known cost pressures, and staffing levels had been developed through detailed curriculum planning to ensure they were both efficient and affordable, with pay costs in line with sector benchmarks.

10.2 Members considered the proposed capital programme of £4.6m, comprising both College investment and grant funded activity, including schemes carried forward from the previous year. It was noted that this supported key priorities including IT improvements, curriculum relocation, compliance requirements and enhancements to the estate and learner environment.

10.3 The budget included the annual grant to the Students' Union which totalled £180,668 including estimated pay costs.

10.4 Members reviewed the key financial indicators and noted that performance remained broadly in line with the financial strategy. EBITDA was slightly below target but remained within sector expectations, and cash reserves were strong.

10.5 The CFO provided a detailed explanation of the impact of changes to accounting treatment under the updated FRS102, particularly in relation to lease recognition. It was noted that this had a technical impact on financial metrics, including KPIs, financial health scores and loan covenant calculations. Assurance was provided that the College remained within covenant limits, that lenders were aware of the changes, and that the underlying financial position remained sound with a Good financial health rating forecast.

10.6 Members reviewed the key assumptions within the budget, which included all eligible incremental pay progression and the affordability of the proposed 3% staff pay award. It was noted that AoC had not yet issued its sector pay recommendation, however the proposed 3% increase had been assessed as affordable by the College. The CFO advised that each additional 1% increase in pay would have a material cost impact and would require offsetting savings. Should the eventual AoC recommendation exceed this level, it would be reported to the Corporation for further consideration and decision.

10.7 Members also sought clarification on pension assumptions, the variability of funding, and the potential effect of accounting changes on future borrowing.

10.8 The CFO advised that no budget had been set for TTPL, the trading subsidiary, as it was being wound down in an orderly and solvent manner.

10.9 Members also considered the sensitivity analysis and noted that, while the worst-case scenario was considered unlikely, a range of mitigating actions had been identified.

10.10 Members thanked the CFO and the finance team for the work undertaken in preparing the budget.

10.11 **It was resolved** to approve:

- The revenue and capital budgets for 2026/27 and the financial return to be submitted to the DfE by 31st July 2026. In approving the financial return, the Corporation confirmed:
  - That the most appropriate financial health grade for each of the three years was:
    - 2025/26 Good
    - 2026/27 Good
    - 2027/28 Good
  - That the return was consistent with the college's budget for the year ending 31 July 2027 and that this budget was approved by the governing body.
  - That this return was consistent with the college's strategic plan and that the plan and accompanying commentary had been reviewed in accordance with the method agreed by the governing body.
  - The data may be published by the DfE.
  - That the supporting commentary had been prepared with due regard to the financial planning checklist in the College Financial Planning Handbook.
  - That the cash balance output in this return, as at 30 April 2026 matched the college's reconciled actual cash position on that date. Furthermore, that a bank reconciliation had been carried out on the indicated date and that there were no concerns or unresolved issues arising from the reconciliation itself or since.
- An annual pay award for all staff, including senior postholders, of 3%, effective from 1st August 2026.
- The Students' Union annual grant as set out in the 2026/27 budget.

11 Finance and Estates Committee Business Plan for 2026/27

11.1 The DG presented the business plan for the Committee outlining the proposed programme of business and reports for the Finance & Estates Committee during 2026/27.

11.2 The F&E Committee had agreed one amendment to the plan, which was to move the review of the Financial Regulations to the Autumn Term to align with the publication of the Colleges Financial Handbook which took effect from September each year.

11.3 **It was resolved** to approve the business plan for the Finance & Estates Committee for 2026/27 and proposed meeting dates.

12 **Management accounts to April 2026**

12.1 The CFO presented the management accounts for April 2026, outlining the position nine months into the financial year against the revised budget, with a surplus of £1.2m compared to a budget of £1.0m. A year-end forecast was also provided. The key points were noted as:

- The operating surplus was favourable to budget and was forecast to improve to £1.7m by year end.
- KPIs remained largely positive, with one amber rating for debt service cover, which was not expected to be a concern by year end.
- Income was £228k below budget, primarily due to the removal of £150k capital income from Mercian Trust and other minor variances.
- Pay costs were £241k above budget, mainly due to increased agency costs, which had been reflected in the forecast.
- Non-pay costs were £434k favourable due to timing differences and were expected to reverse by year end.
- Cash at April stood at £10.9m, £2.0m above budget, driven by unbudgeted capital grant receipts and timing of expenditure.
- Financial health remained Good, with all loan covenants comfortably met.

12.2 **It was resolved** to note the assurance provided by the management accounts to April 2026.

13 **Learner Financial Support Policy**

13.1 D Goode advised Members that as the adult funding rules had now been received the Financial Support and Guidelines Policy for 2026/27 would be deferred until the next Corporation Meeting so that the Policy could be further revised.

14 **Supply Chain Fees and Charges Policy**

14.1 The CFO presented the Supply Chain Fees and Charges Policy 2026/27 which set out the College's approach to managing subcontracting and partnership arrangements funded by the Department for Education (DfE), West Midlands Combined Authority (WMCA) and other relevant funding bodies.

14.2 The 2026/27 policy strengthened governance and transparency across the College's supply chain arrangements by aligning fully with updated Apprenticeship Funding Rules, WMCA requirements and the Procurement Act 2023. It reinforced a clearer risk-based fee model, linking retained funding (15–25%) to more transparent risk assessment and continuous improvement. The policy also tightened subcontracting controls, clarified de-minimis arrangements, and formalised publication and reporting requirements. In addition, it introduced clearer payment schedules for delivery partners, enhanced quality assurance and audit expectations proportionate to risk, and strengthened contingency planning to protect learners and ensure continuity of provision.

14.3 Although the College was not proposing any sub-contract provision for 2026/27 it was felt to be good practice to have the policy in place in the event that the College wished to respond to a potential sub-contract opportunity.

14.4 **It was resolved** to approve the Supply Chain Fees and Charges Policy 2026/27.

15 Financial regulations annual review

15.1 The CFO advised that the changes to the Financial Regulations 2026 had been made in line with changes within the College Financial Handbook from August 2025, recent updates for the sector and process developments. The regulations also reflected the recent updates to the Procurement Procedures. All changes were summarised and highlighted through tracked changes in the document.

15.2 A key change related to budget transfer limits, to allow virements up to £250,000 (previously £100,000) within the same expenditure category by the CEO and Principal, provided there was no overall change to the budget operating position. Transfers greater than £250,000 would require Corporation approval.

15.3 Any further changes to the Financial Regulations to take account of the College Financial Handbook due for publication in July and to take effect from September 2026, would be brought back to the Corporation in the Autumn term.

15.4 **It was resolved** to approve the Financial Regulations 2026.

16 Any other business

16.1 There were no items of other business.

17 Date of next meeting

17.1 The next meeting of the Corporation would be held on Tuesday 30th June 2026 at 4.30pm.

Senior Managers, staff and student governors left the meeting.

The part 2 meeting is the subject of separate confidential minutes.

Approved at the Corporation Meeting held 30th June 2026.