

**MINUTES OF A MEETING OF THE BOARD OF
LEICESTER COLLEGE CORPORATION:
FINANCE AND GENERAL PURPOSES COMMITTEE
HELD ON 2 DECEMBER 2025**



Present:	Danielle Gillett (Chair) Lesley Giles Shabir Ismail	Chan Kataria (item 5 onwards) Robert Radford Lee Soden
In Attendance:	Louise Hazel Amanda Scott Jane Parkinson Shaun Curtis Mukund Narshi	Director of Governance and Policy Director of HR Director of Finance Director of Estates and Campus Services (items 4-5) Associate

1 DECLARATIONS OF INTEREST

1.1 Shabir Ismail and Louise Hazel declared an interest in item 10.

2 APOLOGIES FOR ABSENCE

2.1 There were no apologies for absence.

3 MINUTES OF PREVIOUS MEETING AND MATTERS ARISING

3.1 **The minutes of the meeting held on 2 October 2025 were received and agreed.**

3.2 **The confidential minutes of the meeting held on 2 October 2025 were received and agreed.**

3.3 As a matter arising it was confirmed that in the recent union ballot on strike action, the 50% threshold had not been reached and only 43% of members voted; no strike action would therefore be taken. Of those, 86% had voted for action but overall numbers were small. It was felt that the decision to make the 4% pay award early had been the right decision.

4 SUSTAINABILITY ANNUAL REPORT

4.1 The Director of Estates and Campus Services presented the Sustainability Annual Report for 2024/25. The following points were highlighted.

4.1.1 The report highlighted progress made against the objectives set for 2024/25 which included working with Aquafund UK to reduce water consumption, driving CO₂ emission reductions and producing an annual carbon usage report.

- 4.1.2 Energy use was trending downwards with a 32% reduction in gas consumption since the baseline year 2013/14 and a 28% reduction in electricity consumption over the past nine years. Gas consumption would probably not reduce much more. Electricity was harder to control and required changes in staff behaviour.
- 4.1.3 New Display Energy Certificate (DECs) were obtained in June 2025, showing improvements in building performance.
- 4.1.4 A Salix bid to improve lighting at SMC had been submitted but had not been successful.
- 4.1.5 Following previous discussions at F&GP, a decision had been made to move from a pure green energy tariff which was more expensive and use the £35k difference to achieve other energy saving measures including Savawatt for commercial fridges and LED lighting replacements.
- 4.1.6 Several sustainable initiatives had been introduced in refectories including using Fairtrade products, recycling cooking oil, and offering more meat-free options. The College had diverted 100% of its waste away from landfill, with 47% recycled.
- 4.1.7 Examples of the activity within the curriculum to promote sustainability were given.
- 4.1.8 Objectives for the upcoming year included delivering the Sustainability Strategy, reducing water consumption and increasing biodiversity. The College had an aim of reaching Net Zero by 2030 but this goal was contingent on securing funding.

4.2 Governors asked a number of **questions** including:

- 4.2.1 **Would the 2030 goal be achieved?** It was unlikely; this target was originally driven by the Council but the local grid was unable to handle the extent of electrification needed. There were also costs to the College which were not funded.
- 4.2.2 **Did the Council offer the option of buying carbon credits?** It did not.
- 4.2.3 **A huge amount of work had been undertaken. More work on out of hours energy audits, the levels of automatic lighting and signs on light switches might help reduce consumption.** Noted.
- 4.2.4 **When would the sustainability strategy be done?** This would be developed towards the end of the year once the Estates Review had been completed.
- 4.2.5 **How effective was the Leicester Climate Partnership?** Not much progress had been made, due in part to the loss of key personnel at the City Council; attendance at meetings had dropped off.
- 4.2.6 **More cycle racks were needed at SMC.** There were racks outside the building and in the car park but these perhaps needed to be better publicised.
- 4.2.7 **The Love Your Campus campaigns needed to be completed.** Noted.
- 4.2.8 **There needed to be funding for a coffee cart at FPC.** The APC cart was a pilot and further rollout would be reviewed once this had been in operation for a period of time.

4.3 **Members noted the Sustainability Annual Report.**

5 **CAPITAL UPDATE**

- 5.1 The Director of Estates and Campus Services presented the Capital Programme update. The following points were highlighted.
- 5.1.1 Feedback from the most recent meeting of the Capital Programme Board was shared.
 - 5.1.2 Recent achievements included the completion of the Wave 5 T Level Electrotechnical department, refurbishment of FPC D Block, installation of gender-neutral toilets, and enhanced campus security through access barriers, all of which had been delivered within budget.
 - 5.1.3 The Office for Students (OfS) funded Aeronautical building project had progressed with some alterations required following a change in client team. Additional classroom space was being added and further works were out for tender. Teaching had commenced, the HE hub was open, and there was good feedback from users. The revisions would be completed within £8k of the revised budget.
 - 5.1.4 Pre-planned maintenance and upgrades across campuses continued, supported by significant grant funding. The College received £2.2m in capital grants, with £1.1m allocated for 2025/26 and an additional £700k from reserves.
 - 5.1.5 The College had recently been successful in securing an additional £963k from the OfS for IT and some estates work, mainly in construction and health and social care.
- 5.2 **The Chair asked the Committee whether the revised report gave a better insight in to the capital programme. Members confirmed that it did and provided assurances that operational issues were being dealt with.**

Chan Kataria joined the meeting

- 5.3 Governors asked a number of **questions** including and made the following **comments**:
- 5.3.1 **The Committee needed to understand how capital bids were reviewed by the Capital Programme Board and how projects were managed to ensure any issues experienced with previous projects would be avoided.** For externally funded projects, project expenditure was allocated in line with the bid. The project boards would monitor expenditure and review timelines to monitor progress and any potential for overspend. The Capital Programme Board would also monitor overall expenditure. Where variation in capital expenditure over £100k was needed, this would be brought to F&GP for approval; smaller changes and any virements would be managed by the Capital Programme Board.
 - 5.3.2 **What was the process for seeking bids from departments?** This would depend on where the funding was coming from. Sometimes there was a tight bidding and spending window for bidding opportunities which often focussed on specific areas or priorities. Internal capital allocations were made following the curriculum planning process. Some of these would be done during the summer or at other points in the year. Some requests were held pending student recruitment to see where resources was most needed.

- 5.3.3 **Greater attention to detail was needed in the completion of some projects.** There were lessons to be learned from previous projects. This was for those managing the projects to take forward.
- 5.3.4 **It was not acceptable for curriculum areas to take over space earmarked for social space.** This was an operational issue and other arrangements were being made. There was a shortage of space and there would be movements throughout the year but the College needed to ensure a balance in prioritisation and value for money.
- 5.3.5 **The backlog maintenance did not look enough. Were furniture costs included?** They were. The College tried to use external project funding to help address known backlog maintenance issues where appropriate.
- 5.3.6 **Main entrances looked tired and needed refurbishing.** Noted although there would have to be choices about where to prioritise spend. This could be added to the list of potential projects for consideration. There might be more capital funding available in the future and the College needed shovel ready projects that could be funded externally.
- 5.3.7 **Anecdotally, there was a suggestion it was possible for some projects to be over-engineered and over-priced. What did the College do to ensure that did not happen and that architects' specifications were properly checked?** The College carefully checked the specifications and where necessary value engineered projects down to ensure they met the budget expectations.
- 5.3.8 **The schemes completed were not over-engineered.**
- 5.3.9 **It was not appropriate for the Committee to get involved in the detail but if further assurances were needed, these should come through the Audit Committee.** Procurement processes were reviewed as part of the internal audits of procurement and the Financial Handbook. The total capital spend at £2 million was small in materiality terms but larger projects might need additional scrutiny. The internal audit programme could be added to if further assurances were required.
- 5.3.10 **There appeared to be a disproportionate spend on HE; would other students benefit?** That was where the funding was currently and the College aimed to maximise the opportunities for external funding to benefit as many students as possible.

5.4 **Members noted the capital update report.**

6 FINANCE REPORT (PERIOD 3) AND AUTUMN REFORECAST

6.1 The Director of Finance presented the finance report (period 3) and autumn reforecast. The following points were highlighted.

- 6.1.1 The year to date operating result was an EBITDA surplus after restructuring costs of £2,669k compared to the budgeted surplus of £2,655k.
- 6.1.2 16-18 learner responsive learner numbers were above allocation overall by around 43 students, however, under-recruitment to T level courses would result in an in-year clawback of funding. The estimated clawback included in the budget had been reviewed and decreased by £200k in the autumn reforecast.
- 6.1.3 Indications were that the College was on track to achieve its ASF target.
- 6.1.4 Apprenticeship starts were slightly below target. An allowance of £100k for

underperformance against the budget had been included in the autumn reforecast.

- 6.1.5 HE recruitment was below target and was expected to result in a decrease in fee income of £108k.
- 6.1.6 An autumn reforecast had been undertaken. Key movements included an increase in income for high needs students due to an under-calculation of the average funding per student in the original budget; a net increase of £54k against other income streams; additional pay costs of £220k; a reduction in the LGPS pension contribution rate; and an increase to the exams fee budget of £100k.
- 6.1.7 Overall, the expected EBITDA surplus after restructuring costs had increased by £45k, from a surplus of £2,521k to a surplus of £2,566k.
- 6.1.8 The College would meet its bank covenants and achieve a 'good' financial health rating following the autumn reforecast.

6.2 Governors asked a number of **questions** including and made the following **comments**:

- 6.2.1 **If adverse movement of £300k could move the College into requires improvement, what was the biggest risk to this happening?** The reforecast was cautious and some lines such as High Needs might be more positive. Adult recruitment was always the most challenging to predict. If the College hit less than 97% of its allocation, there would be a clawback of £200k.
- 6.2.2 **Was capital ringfenced?** Yes, it would be reported separately when the finance record was submitted.
- 6.2.3 **Was it possible to quantify the total amount of clawback?** This was difficult to calculate; it would include T level clawback which was below allocation but higher study programme numbers compensate for some of this.
- 6.2.4 **Were changes to the staffing establishment within the remit of the ELT?** The pay budget was approved as part of the overall budget and any changes to the staffing levels would be approved by the Corporation within reforecasts. ELT approved all requests for staffing changes.
- 6.2.5 **There were some areas where recruitment was below target. In the context of a lot of policy change, what confidence was there that the position would be recoverable?** There was policy change although some of this would not impact for another two or three years. The 16-19 allocation had been achieved although it was slightly below the College's overall plan which was higher. Although the T level target had not been achieved, more students were taking study programme which compensated for the shortfall. There was confidence the College would achieve the overall financial position despite the lower recruitment in some areas.
- 6.2.6 **When would the impact of the Budget be known and what would the impact of the increased minimum wage be?** The impact of the Budget was not yet clear. The minimum wage increase could be implemented without any significant impact on the pay scales.
- 6.2.7 **The percentage of staffing costs against budget seemed low.** This was a phasing issue due to the profile of income over the year.
- 6.2.8 **The high needs issue seemed to be working in the College's favour**

now. It was working better but this might change in the future; SEND was an issue for this Government and funding might be going back to central government control which could have funding implications.

- 6.3 **Members noted the period 3 finance report and agreed to recommend the autumn reforecast to the Corporation for approval.**

7 REPORT ON STUDENT UNION ACCOUNTS FOR YEAR-ENDING 31 JULY 2025

- 7.1 The Director of Finance presented the Student Union Accounts for year ended 31 July 2025. The following points were highlighted.

- 7.1.1 The Student Union's income increased slightly by £418 to £8,956, while costs rose by £632 to £10,845, resulting in a deficit of £1,889 for the year.
- 7.1.2 The Union held £11,645.81 in the bank and £132.04 in petty cash at year-end.
- 7.1.3 Leicester College provided an annual grant which included funding for transport costs for a parliamentary trip. The Union also raised funds for various charities.
- 7.1.4 Expenditure on activities and events included £300 on bleed control kits, pool table maintenance, team-building activities, the 'Love Your College' project and supporting trips.

- 7.2 **Members received the Student Union Accounts for year ending 31 July 2025**

8 REPORT AND FINANCIAL STATEMENTS FOR YEAR-ENDING 31 JULY 2025

- 8.1 The Director of Finance presented the Audit Completion Report and Financial Statements for year ended 31 July 2025. The following points were highlighted.

- 8.1.1 The report showed the same position as in the management accounts. The College achieved a surplus of £2.1 million EBITDA, with an operating surplus of £553,000, reflecting improved efficiency, and a 'Good' financial health rating.
- 8.1.2 Total income rose to £55.4 million, driven by strong 16-18 student recruitment and higher High Needs funding.
- 8.1.3 Staff costs had increased to cover additional student numbers.
- 8.1.4 The College invested £8.1 million in facilities and maintained strong reserves (£13.6 million) and cash balances (£7 million).
- 8.1.5 Bank covenants were met.
- 8.1.6 The Audit Completion Report had previously been discussed by the Audit Committee and Corporation. There were no concerns, audit misstatements, control deficiencies or issues identified in the regularity audit.
- 8.1.7 The College had a financial health status of 'Good'.
- 8.1.8 The letter of representation was standard wording.

- 8.2 Governors asked a number of **questions** including:

- 8.2.1 **The former Principal's ceasing date needed to be included.** Noted.
- 8.2.2 **Were the disclosures on payments for departing ELT members**

properly checked and were the auditors comfortable with the wording? They were correct; the auditors had looked particularly closely at these. Both the Acting and substantive Principals' pay needed to be included.

8.2.3 **Were there likely to be any changes before the report went to the Corporation?** Auditors were still finalising their work but there was nothing that was likely to affect the signing of the accounts.

8.3 **Members noted the Annual Report and Financial Statements for Year Ended 31 July 2025 and agreed to recommend them to Corporation for approval.**

9 BAD DEBT WRITE-OFF

9.1 The Director of Finance presented a paper requesting authority to write-off debts that were considered uncollectable. The following points were highlighted:

9.1.1 It was proposed that one debt totalling £3,083 was written off. The debt related to the 2018/19 academic year for tuition fees.

9.1.2 The debt had been chased as far as possible and was now considered to be uncollectable.

9.1.3 There had been one previous write off in 2024/25 of £3,230. With this recommendation, the cumulative total for the year would be £6,312.

9.2 In response to a **question** as to whether written off debts were ever reclaimed, it was confirmed that it was rare, although this sometimes happened if people wanted to re-enrol or were subject to a County Court Judgment.

9.3 **Members approved the write-off of uncollectable debt of £3,083.**

10 SENIOR POST HOLDER APPRAISAL POLICY

10.1 The Director of HR presented the Senior Post Holder Appraisal Strategy.

10.1.1 This was a new policy to provide a more transparent and consistent approach across senior post holder appraisals. The process would be in addition to the usual line manager appraisal of the new Deputy Principals and the Director of Governance and Policy.

10.1.2 It was an evidence-led approach that followed the principles of DfE guidance on senior post holder appraisals.

10.1.3 Feedback from the appraisal would be presented to the F&GP in its role as Remuneration Committee and then to Corporation.

10.1.4 It was intended not to be an onerous process and training would be provided for governors.

10.1.5 The Policy was yet to go through an Equality Impact Assessment.

10.2 Governors asked a number of **questions** including:

10.2.1 **To what extent did this duplicate the existing process?** It was similar; the line manager appraisal was operational; the governor appraisal process was more strategic. This provided consistent documentation to support the existing approach.

- 10.2.2 **Was requiring three-four objectives too prescriptive?** It could be more; more than six was felt to be unachievable.
- 10.2.3 **There was not a separate Remuneration Committee.** The policy would be changed to make reference to the F&GP acting in its role as a Remuneration Committee.
- 10.2.4 **Were there any other views that should be taken into account about how the process worked?** Senior post holders had not been consulted but this reflected the current process.
- 10.2.5 **Given that this was a new policy, should it be reviewed after one year?** Agreed.

10.3 **Members agreed to recommend the Senior Post Holder Appraisal Strategy to Corporation for approval.**

11 **REVIEW OF RISKS**

11.1 The Director of Governance and Policy presented the risks relevant to the Committee. The following points were highlighted:

- 11.1.1 As previously agreed, the risks relevant to the Committee were considered at each meeting.
- 11.1.2 The level of Risk 8 Financial Stability had been reduced on the basis that student recruitment was known and was positive and the autumn reforecast had been undertaken.
- 11.1.3 An internal audit of procurement would be added to the actions for Risk 11.
- 11.1.4 Members were recommended to review the planned actions and comment on whether any further action might be needed to mitigate the risks.

11.2 Governors asked a number of **questions** including:

- 11.2.1 **The fact that curriculum and quality were high risk suggested there were problems with these.** More work was still needed on quality; work to date had made an impact but there was more to be done. CSQI had reviewed these risks and agreed it was too early in the year to recommend changing the risk levels.
- 11.2.2 **Had a gap analysis been undertaken of the residual risks?** The heat map essentially provide this showing which risks were outside risk appetite when residual risk levels were considered.
- 11.2.3 **Risks around cyber security and business continuity were outside appetite.** These were being monitored and it might be possible to reduce the risks levels once actions had been completed.
- 11.2.4 **In terms of financial stability and partnerships and collaboration, was there an element of longer term risk which was not reflected?** There was a timing issue; although these were medium risk and there was no significant risk for the current year, longer term, there might be higher risk.
- 11.2.5 **Were risks around skills shortages fully reflected in risk 3 on staffing?** There was nothing significant or new for the current year and it was felt these were covered by the planned actions. This was a sector issue and no other colleges had managed to tackle some of the harder staff recruitment issues in skills shortage areas.

11.2.6 **Contract management could also be covered in the internal audit of procurement. Noted.**

11.3 **Members noted the risks.**

12 DFE DASHBOARD

12.1 **Members received and noted the DfE Dashboard**

13 WAIVERS OF FINANCIAL REGULATIONS

13.1 **Members received and noted the report on waivers of financial regulations.**

14 DATE OF NEXT MEETING

- **5 March 2026**

15 ANY OTHER BUSINESS

15.1 **There was no other business.**