

**MINUTES OF A MEETING OF THE BOARD OF  
LEICESTER COLLEGE CORPORATION:  
FINANCE AND GENERAL PURPOSES COMMITTEE  
HELD ON 5 MARCH 2026**



Present:	Danielle Gillett (Chair) Lesley Giles* Shabir Ismail	Chan Kataria Robert Radford Lee Soden*
In Attendance:	Louise Hazel Zubair Limbada  Randeep Sami  Amanda Scott  Shaun Curtis	Director of Governance and Policy Deputy Principal Finance and Corporate Services Deputy Principal Curriculum and Quality (items 1-8) Director of HR  Director of Estates and Campus Services (items 4-5)

**1 DECLARATIONS OF INTEREST**

1.1 Staff declared an interest in items 8.1-8.3.

**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 December 2025 were received and agreed.**

**4 MID-YEAR HEALTH AND SAFETY UPDATE**

4.1 The Director of Estates and Campus Services presented the mid-year health and safety update. The following points were highlighted.

- 4.1.1 The report summarised progress and achievements against the health and safety objectives for 2025/26. Several actions were underway, including the revision of student H&S inductions, ongoing Fire Marshall training and safety tours and evacuation drills. Departmental safety tours were in progress.
- 4.1.2 Code 1 Evacuations had been completed on all campuses as had lockdown tests; these would now form part of the annual testing programme.
- 4.1.3 A new accident reporting system had been launched in September 2024. New DSE software procurement was underway with a trial scheduled for March 2026.
- 4.1.4 Eighty-nine accidents had been reported so far, compared to 98 at the same point in 2024/25. One RIDDOR reportable incident had occurred at SMC

involving a member of staff who had fallen and broken their arm; no environmental defects had been found.

- 4.1.5 Staff training remained a priority, with a particular focus on First Aid but the number of first aid trained staff had improved particularly at SMC. Other training covered food hygiene, health and safety representative training, IOSH working safely, and online health and safety for new starters.
- 4.1.6 A robust program of service and maintenance for equipment and installations ensured compliance with relevant legislation. External inspections by insurers had been conducted for lifts, lifting equipment, compressors, boilers and ventilation systems. Legionella control measures, asbestos management and external reviews of risk assessment and fire risk assessments had also been completed.
- 4.1.7 One hundred and twenty-five incidents had been reported to date compared to 183 in the last academic year. APC continued to report the highest number of incidents, correlating with its higher student population. Body-worn cameras were now used by campus wardens.

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

- 4.2.1 **There appeared to be an overlap in the categorisation of incidents such as bullying and unruly behaviour; which were the most serious types of incident?** Agreed, the categories could be reviewed. None of these was particularly serious, most were low level. Assaults were the most concerning.
- 4.2.2 **The number of unauthorised entries was not insignificant; was this a cause for concern?** A lot of these were pre-installation of the access points (barriers) and included members of the public, parents and friends of students. It was now much harder for unauthorised people to get onsite.
- 4.2.3 **There had been discussion at the Health and Safety Committee about meeting attendance this had improved but there was still an issue with people not always sending deputies.** This had been raised with the SLT and the membership had again been reviewed. Attendance at the Health and Safety representatives meeting had also increased and this was now well-attended.

4.3 **Members noted the mid-year health and safety 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 The Capital Board had met in December 2025 and January 2026. Key points of discussion had focused on project progress, financial status, and future funding opportunities related to capital and infrastructure projects. No concerns had been raised.
  - 5.1.2 An update on recent and current projects was given.
  - 5.1.3 The Office for Students (OfS) funded Aeronautical building project had progressed. Additional classroom space had been completed and a further ground floor room would be completed later in the year. Teaching had commenced, the HE hub was open, and there was good feedback from users. The ground floor works would be completed from underspends in other capital areas.
  - 5.1.4 Pre-planned maintenance and upgrades across campuses continued, supported by significant grant funding. Most would be complete by Easter or June. The College received £2.2m in capital grants, with £1.1m allocated for 2025/26 and an additional £700k from reserves.
  - 5.1.5 An additional £963k had been allocated by the OfS for IT and some estates work, mainly in construction and health and social care. This needed to be completed by April 2026.
  - 5.1.6 The Estates Review led by Drees and Sommer was underway with positive workshops held with staff and students; this was due for draft completion by May 2026.
  - 5.1.7 A Condition Survey was being undertaken by Summers Inman and expected in March 2026.
  - 5.1.8 There was an opportunity to bid for Construction Skills Capacity Fund to develop Gas and Plumbing facilities at FPC B Block through a £5m project. This would require a RIBA Stage 2 report at cost of around £50k. There were tight timelines for submitting a bid.
- 5.2 Governors asked a number of **questions** including and made the following **comments**:
- 5.2.1 **Was the RAG rating based on project timing or cost, or both?** It would be both.
  - 5.2.2 **Was it realistic to be able to spend the HE grant by the end of April?** It was, invoices were now being chased.
  - 5.2.3 **If the additional classroom at APB aero was covered by underspends, what was being pushed back?** Nothing, there were just underspends.
  - 5.2.4 **Where would the £50k for the RIBA stage 2 report come from and would it be revenue or capital?** This would need to be included in the summer reforecast; it would depend on whether the application was successful or not how it would be categorised.
  - 5.2.5 **Would outstanding issues at APC, including access, be fixed by the summer?** These were underway; signage was due in the next few weeks.
  - 5.2.6 **Would the gas and plumbing project be in the painting and decoration areas?** No, it would be in the current location. The project, if successful, would need to be delivered by September 2028.
  - 5.2.7 **The refectory and HE space at SMC needed looking at.** Agreed; there was a transitional period but student services were looking at options.
  - 5.2.8 **Some of these were operational considerations; the estates review**

would also pick up these and other issues.

5.2.9 **It would be helpful to have greater assurance that value for money had been achieved through the projects, not just assurance about the procurement processes.** Noted; this would be followed up, including the impact of the investment made.

5.2.10 **Were there any risks associated with the funding bid and the employer in-kind support? Would that strengthen the bid?** Employer support would strengthen the bid and could take a number of forms including equipment, sponsorship or talks to students. The completion of the RIBA report was not considered a risk; the College needed to have some projects ready which, if not successful in this round, could be used for other funding bids. The report would also help in engaging employers.

### 5.3 **Members:**

5.3.1 **Noted the capital update report.**

5.3.2 **Approved the application for funding to the Construction Skills Capacity Fund.**

## 6 **FINANCE REPORT (PERIOD 6) AND SPRING REFORECAST**

6.1 The Deputy Principal Finance and Corporate Services presented the finance report (period 6) and spring reforecast. The following points were highlighted.

6.1.1 The year-to-date result was an EBITDA surplus after restructuring costs of £2,079k compared to the budgeted surplus of £2,172k.

6.1.2 16-18 learner responsive learner numbers were slightly above allocation but there had been under recruitment to T level courses which would result in an in-year clawback of funding.

6.1.3 The College was on track to achieve its ASF target.

6.1.4 Apprenticeship income was in line with the autumn reforecast target.

6.1.5 HE fee income continued to be challenging and had fallen below the autumn forecast target. The forecast income had been reduced in the spring reforecast by £201k.

6.1.6 A spring reforecast had been undertaken and key movements included a reduced T level clawback, additional funding for high needs students, reduced tuition fees and full cost income and an increase in exam costs.

6.1.7 Overall, the expected EBITDA surplus after restructuring costs had increased by £66k, from a surplus of £2,566k to a surplus of £2,632k.

6.1.8 The College would meet its bank covenants and achieve a 'good' financial health rating, based on the spring reforecast. Adverse movement of £450k would move the College in to 'requires improvement' financial health.

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

6.2.1 **How was the EBITDA worked out?** This would be explained.

6.2.2 **The financial health position was good but it was still sensitive; early warning was requested of any potential adverse movement that could affect this.** Noted.

6.2.3 **Since the College had cash of £5m and a loan of £3.5m, what was to stop it paying off the loan and saving on interest and gearing?** This

could be done but there would be implications including break costs. The College could also no longer borrow commercially and needed working capital. If it ran out of cash, it would need to go to the DfE for support which would place it in intervention.

- 6.2.4 **Liquidity was crucial.** Correct, there was no option to borrow to deal with cashflow issues.
- 6.2.5 **Were there further discussions about high needs funding?** These were ongoing; the increase in the reforecast was a result of a recalculation of element 3 funding but there were also discussions ongoing for next year. The LA had agreed 250 students but this was to be confirmed by the DfE. The raft of planned SEND changes would bring about different conversations in future years.
- 6.2.6 **It would be important to understand whether there were root causes to the under-recruitment in some areas including priority sectors and whether these were likely to continue and whether any policy developments might help with these.** Agreed.
- 6.2.7 **The ongoing reduction in revenue from HE suggested that there were questions about the viability of this provision.** Agreed; this would be part of the discussion about the future curriculum offer and the needs of the estate.
- 6.2.8 **Governors had previously looked at contribution rates; was this something that needed revisiting?** There were a number of factors that needed considering including the HR implications of some aspects of the offer.

6.3 **Members noted the period 6 finance report and agreed to recommend the spring reforecast to the Corporation for approval.**

## **7 NATIONAL LIVING WAGE**

- 7.1 The Director of HR presented a paper on the National Living Wage. The following points were highlighted.
  - 7.1.1 The report outlined the impact of the National Living Wage (NLW) increase to £12.71 per hour from April 2026, which exceeded the College's current Scale A rate of £12.70 creating further compression at the lower end of the support staff pay scale. The NLW must be implemented from April 2026.
  - 7.1.2 The rise followed a 4.1% NLW uplift and significant increases to National Minimum Wage rates for younger workers. Pay compression posed risks for recruitment, retention, and potential future equal pay challenges, particularly given the wide range of roles now encompassed within Scale C after the 2025 removal of Scale B.
  - 7.1.3 Three options were presented: Option 1 – Increase Scale A only, the lowest cost option but a short-term fix; Option 2 – Reinstate Scale B as a fixed point which addressed compression but would be costly; and Option 3 – Introduce a three-point Scale B which was the same cost as Option 2 and provided better progression.
  - 7.1.4 The recommended approach was Option 1 for April 2026, which proposed increasing Scale A only to reflect the revised NLW rate. This represented the most cost-effective approach in the immediate term. However it would not address the longer-term risks associated with pay compression or the

potential for future equal pay claims. It was therefore recommended that there be a full review of scale structures in Autumn 2026 once funding and the 2027 NLW position were known.

## 7.2 Governors made the following **comments**:

- 7.2.1 **The reference to £503k in the paper needed to be corrected.**
- 7.2.2 **Option 1 was a temporary measure and there would continue to be pay pressures.** If a decision on the broader pay scales was left until the autumn, this would be looked at as part of the overall budget position. There could be a cost saving if revisions to the scales was considered alongside the pay increase.
- 7.2.3 **It was important to avoid equal pay claims but the incremental approach was not sustainable and there needed to be some longevity in whatever solution was adopted.**
- 7.2.4 **Incremental scale progression was a bit outdated.** It would be very difficult to get agreement from the unions to move away from that.

## 7.3 **Members:**

- 7.3.1 **Noted the impact of the increase to the NLW from 1 April 2026 on Scale A.**
- 7.3.2 **Agreed the recommended option (option 1) from 1 April 2026, to increase Scale A only to reflect the revised NLW rate.**
- 7.3.3 **Agreed to review pay scale compression further in Autumn 2026.**

## **8 KEY EMPLOYMENT CHANGES AND IMPLICATIONS**

### 8.1 The Director of HR presented a paper on key employment changes and the implications for the College. The following points were highlighted.

- 8.1.1 The Employment Rights Act brought in one of the biggest sets of employment law changes in recent years covering trade union recognition and industrial action, enhanced statutory rights for employees, and expanded employer obligations.
- 8.1.2 There were increased employment tribunal risks associated with the reduction in qualifying periods and compensation caps. This was particularly relevant since managers and lecturers were on nine month probation periods.
- 8.1.3 The increase in union rights included simplified trade union recognition thresholds, easier access to workplace ballots, and strengthened protections for employees engaging in lawful industrial action. The College might need to recognise new unions.
- 8.1.4 Statutory Sick Pay would become available from day one and to all employees regardless of earnings, increasing cost pressures. Family-related leave was expanded with paternity and unpaid parental leave becoming day-one rights and there were enhanced protections around pregnancy, maternity and bereavement.
- 8.1.5 New requirements would apply around harassment prevention including a need to take 'all' reasonable steps, whistleblowing protections relating to sexual harassment, and employer duties to manage third-party harassment. The establishment of the Fair Work Agency would centralise

enforcement and increase regulatory scrutiny.

8.1.6 The updated College Financial Handbook thresholds, rising National Minimum and Living Wage rates, and enhanced pay gap reporting duties and menopause action plans would also impact on the College. The transgender ruling would have implications and although there was little guidance, case law was now coming through.

8.1.7 An action plan was in place to adjust policies, strengthen management processes and capability, monitor financial impacts, and maintain strong industrial relations to ensure compliance and manage associated risks.

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

7.1.1 **There was a lot of work for HR; how would this be tackled with the staff shortages in team.** The new HR managers were in post; some changes would not come in until 2027 but there was a lot of work to do particularly to support managers.

7.1.2 **Given the College's Values, there was a lot of change that was good but the changes would be costly. There would be change for leaders and managers and training for them would be important.**

7.1.3 **The transgender ruling would also lead to difficulties and cost implications.** Agreed; there would need to be some micro-learning for staff. The College also had fair treatment advisors who would be able to support in dealing with low levels issues at an earlier stage.

7.2 Three collective agreements, the Disciplinary Policy, Sick Pay Policy and Family Leave Policy, were presented. Governors asked a number of **questions** and made the following **comments**:

7.2.1 **Would there be many cases where gross-misconduct could lead to an informal outcome?** If it was a one-off and there were mitigating circumstances, this might be the outcome. All disciplinarys were conducted with support from the HR team.

7.2.2 **Statutory Sick Pay had to be paid?** Yes but this was offset against Occupational Sick Pay.

7.2.3 **Combining the various family policies into one meant there could be costs associated with these and these would all need to be considered when thinking about the financial position.** Agreed. At this stage, carers' leave would be paid from 2027 and while the other leave entitlements were not yet paid, there was a possibility they might be in the future which would be a big cost to organisations.

7.3 **Members:**

7.3.1 **Noted the key employment changes.**

7.3.2 **Approved the Staff Disciplinary Policy.**

7.3.3 **Approved the Sick Pay Policy.**

7.3.4 **Approved the Family Leave Policy.**

## 8 **BAD DEBT WRITE-OFF**

8.1 Deputy Principal Finance and Corporate Services presented a paper requesting authority to write-off a debt that was considered uncollectable. The following points were highlighted:

- 8.1.1 It was proposed that one debt totalling £4,843 was written off. The debt related to the 2024/25 academic year for tuition fees; an immigration issue meant the debt was now uncollectable.
- 8.1.2 The debt had been chased as far as possible.
- 8.1.3 Other debt write offs in 2025/26 had amounted to £6,312 so with this recommendation, the cumulative total for the year would be £11,155.

8.2 **Members approved the write-off of uncollectable debt of £4,843.**

## 9 **REVIEW OF RISKS**

9.1 The Principal presented the risks relevant to the Committee. The following points were highlighted:

- 9.1.1 As previously agreed, the risks relevant to the Committee were considered at each meeting.
- 9.1.2 The level of Risk 8 Financial Stability had been reduced on the basis that student recruitment was known and was positive and the spring reforecast had now been undertaken.
- 9.1.3 Members were recommended to review the planned actions and comment on whether any further action might be needed to mitigate the risks.

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

- 9.2.1 **There were two risks lower than appetite and two higher; were those higher more of a concern?** Potentially yes. It might be that the risk appetite level for this was not quite right and this could be reviewed.
- 9.2.2 **Was the cyber security risk level appropriate? It was very low and the College had to live with ongoing risks around cyber security.** The question was whether, given all the controls, there was anything else the College could do to mitigate risk.
- 9.2.3 **Noted but even after everything being done, there was probably still a higher residual risk.**
- 9.2.4 **Were the risks related to now or over the next 12 months?** They related to now.

9.3 **Members noted the risks.**

## 10 **WAIVERS OF FINANCIAL REGULATIONS**

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

10.2 In response to a **question** about how waivers were being challenged, it was explained that there was now greater challenge and the Deputy Principal Finance and Corporate Services was also reviewing procurement processes.

11 DATE OF NEXT MEETING

- 7 May 2026

12 ANY OTHER BUSINESS - **CONFIDENTIAL**