East Kent Colleges Group

Business Committee minutes

Meeting	Business Committee	Date	12 March 2026
Location	Online Meeting via Teams	Time	09:30
Membership	Charles Buchanan (CB), Gail Clarke (Chair) (GC), Francesca Lashmar (Staff Governor) (FL), Joanna Worby (JW), Lucy McLeod (CEO)(LM), Siobhan Phillips (SP)		
In Attendance	Matthew Cooper, (MC) Chief Financial Officer Dan Shelley, (DS) Assistant CEO, Infrastructure and Transformation Officer Kerry Hickmott, (KH) Chief People Officer Camilla Etheridge, (CE) Director of Governance Claire Banks, (CSB) Governance Officer		

**Italics denotes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and apologies for absence	The Chair welcomed members to the meeting.	
2	Declarations of Interest	There were no additional declarations to the meeting than those declared as standing.	
3	Minutes of the meeting held 20 November 2025 including any confidential minutes	The minutes and confidential minutes of the Business Committee meeting held on the 20 November 2025 were reviewed and approved as an accurate record and will be duly signed by the Chair.	
4	Matters arising not covered by this agenda	No matters arising not covered by this agenda.	

5	Capital Programme Update: - Lease & PPA for Broadstairs Solar Panels - Canterbury College Energy Savings - Ashford Phase 3 - FE Transformation Fund update, including approval for glazing works at Sheppey	*This item is considered confidential and will form Part A of the Confidential Minutes.*	
6	Business Committee approvals - costs between £150,000 and £499,000: - 24/7 JISC Cyber Security Operations Centre Service (G-Cloud 14 Framework) – 3 year contract	*This item is considered confidential and will form Part A of the Confidential Minutes.*	
7	December 2025 Managements Accounts & Sage Update	The Chief Financial Officer (MC) presented the December 2025 Management accounts and the following key points were noted:	

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		Management Accounts – Full Year Budget to Q2 MC presented the Q2 management accounts, beginning with the full year forecast. The budgeted EBITDA for the year is £5.9m, and MC is currently forecasting an outturn of approximately £6.4m, representing circa. £0.5m above budget. Full Year WalkAcross MC presented the full year walkacross, outlining circa £2.5m of unbudgeted positive movements, including: • £600k uplift from increased student numbers and higher apprenticeship fees. • £200k reduction from the withdrawal of HE provision at Canterbury and Ashford. • Reduced refectory income caused by changes to the free breakfast offer. • Pay underspends due to unfilled posts, offset by agency and overtime costs (net c. £400k). • Costs from higher student volumes, including equipment, exam fees, and £200k relating to Turing school trips. • Planned contingencies to reduce the expected Q2 outturn to circa £0.5m. Governors queried if these figures reflect the Q2 re-forecast as the slide did not make this clear. MC acknowledged the point, confirming the headline figures represent EBITDA from budget to Q2, broken down across income, pay, and non-pay. Governors requested clearer titling in future; MC agreed. MC added that walkacross reports, while new to the Group, are widely used in the profession and provide Governors with a clear, high-level view without unnecessary detail. Year-to-date (Q2) Actuals • MC presented the year-to-date position, which currently shows the Group £2m above budget. However, he cautioned that at least half of this relates to phasing, where items have been recorded in the wrong accounting period but will correct over time.	

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		- Further work is required on Adult Skills Fund (ASF) modelling, as gaps remain between MIS data and actual income due to timing rules and payment delays. Governors commented that the Adult Skills Fund figures appear more realistic than in previous years. LM provided context: the Group's contract was reduced this year and are now forecasting over delivery against the revised level. While any additional payment for over delivery is unlikely, this reflects significantly improved planning and clearer strategic focus. MC also noted: - A decrease on apprenticeship income due to lower student numbers. - Staffing underspends due to vacancies. - Delays in processing exam and registration fees. - Early indications suggest the Group may finish circa £500k above the Q2 forecast, though further work is required to validate this. - The new Head of FP&A will support deeper analysis and faster resolution. - MC concluded that the overall position is positive, with it being very unlikely that the Group will finish below budget, and more probable that the final outturn will be above budget. Governors queried whether manual adjustments were included in the full year walkacross, specifically the adverse movement in pay. MC confirmed these were incorporated as a conservative adjustment to reflect uncertainty. NOTED: December 2025 Management accounts	
8	Review of CPIs:- B01, B02, B03, B04, B05	The Chief Financial Officer presented a review of the CPIs and the following key points were noted: <u>B01 – Adult Skills Fund</u> MC reported that, based on the latest forecast, the Adult Skills Fund is expected to meet budget. However, further work is required to improve modelling. There remain	

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		discrepancies between MIS data and recorded income, which will be addressed over the next 1–2 months. B02 – Full Cost Provision • Tuition fees currently stand at 72% of budget, primarily due to the termination of the Ashford Creative Digital and Business course. B03 – EBITDA • MC reiterated that the full year forecast is expected to be circa £0.5m above budget, with the potential to exceed this once uncertainties reduce. B04 – Current Ratio • Cashflow forecasting is still being refined following the transition to Sage. However, MC confirmed there is no current risk, noting the Group has strong cash reserves, including £5m recently placed in a high interest account. CapEx and loan requirements for the year are well understood and present no concerns. B05 – Borrowings • Income is rising and borrowings continue to decrease, with no perceived risk attached to this indicator. Governors noted that previous CPI presentations included historical month by month comparators over several years, which were not included in the current report. Will accurate historic data be available in future, once Sage stabilises, or the academic year will remain an uncertain comparator. MC acknowledged the concern, explaining that adjusting prior periods is usually discouraged, but in this instance is both necessary and justified. MC confirmed that after completion of the February accounts (expected next week), he and the new Head of FP&A will go back and correct earlier months to reflect what has been identified in recent weeks. This includes: • Correcting missing prepayments, including £400k of software costs that had been incorrectly posted in January. • Reflecting accruals for late invoices that had not been captured. • Addressing income phasing errors, where income had been evenly split across 12 months	

		or recorded on a cash received basis, rather than when earned. MC emphasised that having accurate historical data is essential because it directly affects future forecasting, budgeting and phasing accuracy. Governors noted that phasing is a key driver of variances and therefore accurate period by period data is critical. MC agreed, stating that current forecasting accuracy is around 85%, but drops to 50% once phasing issues are considered. Resolving phasing, therefore, is a high priority. NOTED: Review of CPIs	
9	Risk Register	The Assistant CEO, Infrastructure and Transformation (DS) introduced the Risk Register, noting that each Committee is currently reviewing the risks assigned to it. For the Business Committee, risks 4, 5, 6 and 7 were presented for review. Feedback from recent meetings of the Education and Audit Committees highlighted the need for more up to date mitigation commentary and improved structure within risk narratives. The Committee was asked to assure itself that risks are being effectively mitigated and to identify any additional information required for future cycles. <u>Risk 4</u> <u>a) Improve capacity and skills of the existing team</u> MC reported strong progress: • A new Head of FP&A has joined the team and is already making a significant impact. • Familiarity with the management accounts model is increasing across the team, reducing the single point of failure risk. <u>b) Resolve Sage implementation issues</u> • MC confirmed the major issues are resolved, with only minor items remaining. None are blocking business critical processes. • MC has tasked the finance systems lead with conducting regular 1:1 training sessions with all Sage users every six months to support uptake and ensure accurate and effective use of the system.	

		c) Fix issues and gaps in internal financial reporting • MC described steady progress based on an 80/20 approach: • The most significant issues will be resolved during 2026. • Remaining refinements may extend into 2027. • The new Head of FP&A will accelerate this work. • MC noted that some issues discovered in recent months (e.g., unposted prepayments, missing accruals, income phasing errors) demonstrate the need to correct earlier months for accuracy. Although retrospective fixes are uncommon, MC intends to make such corrections because accurate historical data is essential for forecasting and budgeting. d) Implement rolling forecasting (three-year planning) • MC plans to present a first three-year forecast by summer 2026. Rolling forecasting may not begin until after Q1 2026/27, though earlier is possible if capacity allows. e) Link annual budget setting to curriculum planning • Integration between MIS, ProSolution and the business planning tool is progressing and anticipates better quality income forecasts earlier in the budget cycle this year. f) Internal audit plan to address areas of risk • Recent internal audit work on management accounts has not raised issues that are not already known and being addressed. A change of internal audit provider is in progress. g) Consideration of emerging external factors • The team regularly monitors external influences on financial sustainability and adjusts modelling accordingly. Governors noted the need to strengthen the relationship between finance business partners and budget holders, encouraging more inquisitive challenge rather than passive presenting of numbers. Governors highlighted this as a key mitigation, particularly in improving forecast accuracy and reducing uncertainty. MC agreed and placed this under mitigation a), relating to capacity and skills. He noted: • Business partners have not been expected to operate in this way historically. • A senior business partner is being recruited.	

		• The new Head of FP&A will drive this improvement at pace. It was agreed to explicitly reference strengthened business partner–budget holder relationships within mitigation a). <u>Risk 5</u> Governors queried whether any auditing of the updated Health & Safety reporting systems had taken place. Although reporting has improved significantly, Governors questioned whether the system is performing at the level expected and whether governors have sufficient assurance on its robustness. DS confirmed that no formal audit has yet taken place and agreed that such a review would be beneficial. The Committee discussed the importance of understanding whether improved reporting reflects genuine progress. DS agreed to add a review and testing exercise to the work programme and will brief the Head of Health & Safety accordingly. LM emphasised the need to balance effective assurance with manageable workload for staff and students. DS confirmed this would be factored into the review. <u>Risk 6</u> KH provided an update on the HR system replacement project. A new provider, Health Box HR, has been selected following a full tender process. The implementation is underway, with the target to go live on the date of 1st August 2026. KH explained: Governors queried contingency planning, noting with the current HR system closing in October, it is critical that the new system is fully operational. KH confirmed the team now has a realistic window (August–October) to resolve issues.	DS

		A fallback remains available should a switch become necessary. A final decision point would be 1 April, allowing time for full data migration, piloting and testing. Governors sought assurance regarding integration with other platforms. KH and DS confirmed the new system includes an API to Sage, the most essential requirement. Several legacy systems (e.g., MyProgress) will be retired and absorbed into the new platform. They are confident integration will work effectively. <u>Risk 7</u> The Committee noted that property related risks are discussed frequently and in detail at Business Committee meetings, and that recent agenda items (e.g., capital works, sustainability investments, energy projects) address most of the associated mitigations. Governors agreed there was no need for additional discussion at this meeting unless issues arose. None were raised. AGREED: Explicitly reference strengthened business partner-budget holder relationships within mitigation Risk 4 a) NOTED: Risk Register – Risks 4, 5, 6 and 7	
10	Policy Update: Corporate Social Responsibility Policy	The Assistant CEO, Infrastructure and Transformation (DS) presented the Corporate Social Responsibility Policy for approval. Governors approved the updated Corporate Social Responsibility policy aligned with the new strategic plan. Future oversight to be provided by the Audit Committee. APPROVED: Corporate Social Responsibility Policy	
11	Update on Performance against Health and Safety Policy	The Head of Health and Safety (VP) presented an update on performance against Health and Safety and the following key points were noted: • VP presented the Health & Safety update, noting that reported incidents appear to have risen by 13% over four years; however, this aligns with a 17.7% increase in student numbers and the introduction of an improved online reporting system, which has led to significantly	

		more comprehensive reporting. Around 45% of the 620 cases relate to nonwork related ill health. • Incident patterns remain broadly consistent, with typical industry specific injuries. • RIDDOR Incident: One serious incident in November involved an apprentice who sustained a leg fracture. The investigation concluded the incident was primarily due to driver error, not an environmental failing. Governors requested an update as to the recovery of the apprentice. VP will follow-up to confirm their current status. • Support for First Aiders: VP highlighted the emotional impact on newly trained first aiders, who are increasingly exposed to distressing incidents. A groupwide First Aid Teams page has been created to provide access to welfare support, mental health first aiders and the college counsellor. Governors asked whether reports differentiate between work related and nonwork related injuries. VP confirmed this is not currently separated in reporting and agreed it would be useful to develop this distinction to help Governors identify where action is required. Governors commended the expanded road safety partnership work with local police. VP reported strong engagement, with further sessions planned, including tailored presentations for ESOL learners who often work in delivery roles and may face specific risks. No further questions were raised. NOTED: Update on performance against Health and Safety Policy	VP

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12	Report on HR Matters	*This item is considered confidential and will form Part A of the Confidential Minutes.*	
13	Any Other Business	No other business raised.	
14	Matters Considered Confidential	Item 5 – Capital Programme Update Item 6 – Cyber Security Procurement Item 12 - HR matters	
15	Date and time of next meeting	Thursday 18 June 2026 at 9:30am - ONLINE	

There being no further business the meeting closed at 11.16am.

Signed: G Clarke .... Print: GAIL CLARKE .... Date: 18-06-2026