The FGB Chair, CEO, and Group Director of Governance have been given delegated authority by FGB to review confidential minutes on an annual basis. The following minute was released for publication following the review panel meeting held on 7 September 2026.

Business Committee Meeting of 18 June 2026 Confidential Part A and Part B

	ITEM	COMMENTS	ACTION
Part A	12. Report on HR Matters	The Chief People Officer (KH) presented a report on HR matters and the following key points were noted: • There are currently two Employment Tribunal (ET) cases: • There are five internal investigations underway (two at formal hearing stage, three at investigation stage) and one new grievance received last week. • Long-term sickness remains high, with 39 active cases (staff absent for over four weeks). Short-term sickness has increased slightly from 3.7% to 3.9%, reflecting normal winter trends and widespread seasonal illness. Governors asked whether GPs are required to record a reason when issuing a fit note. KH confirmed that they are, but noted wider national concerns about the increasing ease with which fit notes can be obtained, which is contributing to higher sickness absence rates. Governors also queried whether the Group needs an employee's permission to access medical information in order to offer support.	

		KH clarified that this is not necessary, as the Group seeks advice through an occupational health assessment rather than contacting a GP directly. NOTED: Report on HR matters	
Part B	13. Review Annual Pay Award (CEO, CPO, GDG and Independent Governors only)	The Chief People Officer updated that FGB approved the proposed staff annual pay award at their March meeting subject to the group's DfE allocation and affordability. Due to the improved funding position as a result of the allocation, the committee is asked to consider a revised pay award incurring an additional £239k. Scale points 18-67 would increase by 3.5% in August and points above that by 3% (excluding senior post holders). Governors indicated their support for this revised pay award as it doesn't pose any financial concerns and will have a positive impact on staff and the Group's relationship with the unions. Governors asked how the Group's pay award compares with the wider FE sector given the AoC's recommendation to not award any pay increase at all following the funding increase of 0.55%. The CEO confirmed that the Group's award is slightly above the sector average by 0.5%. We have always said that if we can afford to give a pay increase we will, but the year we won't be able to, we won't. The Group Director of Governance will circulate the paper to FGB for their information the day before LM announces the pay award on Celebration Day 11th July to staff. AGREED: Annual Pay Award	
	17. Funding Investigation (CEO, GDG and Independent Governors only)	The CEO outlined an investigation undertaken by the Interim CFO following a funding allocation statement received in March which indicated a reduction of programme funding by approx. £1mil due to clawback. An incident also occurred around incorrect forecasting of apprenticeship funding. The first error was due to a T-Level funding misclassification; where all T-Level students had been returned as band 6 they should have been distributed across bands 6, 7 and 8 in line with their occupational specialisms. The second error affected management forecasting by temporarily overstating expected funding.	

		The CEO has kept the Chair and Chair designate fully informed as the situation has been developing. The CEO has been liaising with the DfE in an attempt to negotiate the funding being returned but this has not yet been successful. There is in-year funding to offset this reduction but this investigation has been brought to the attention of governors to promote transparency and give reassurance that these mistakes won't happen again. The report outlines measures that are being put in place to prevent these errors occurring in the future. Governors commented on how unfortunate and unfair this situation is. They recognise that LM is doing all she can to retrieve the clawback funding. It seems increasingly likely that the DfE will remain steadfast in their decision to not return the funding. LM confirmed that the complexity of the funding compliance and lack of ability to check potential clawback before receiving the allocation statement, combined with the outcome of the investigation, resulted in no formal disciplinary action being taken. The GDG will add this as an additional restricted item to the upcoming FGB meeting in July in order to update the Board. NOTED: Funding Investigation	