

# Solihull College & University Centre

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## Members' Report and Financial Statements

For year ended 31st July 2024

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## Reference and Administrative Details

### Board of Governors

Christine Abbott	Mehreen Mirza (from September 2023)
Paul Assinder	Graham McKean (from June 2024)
Scott Beasley (until September 2023)	Jo Moorcroft (from September 2023 until July 2024)
Tasleem Chaudary	Amirun Nehar
Mehak Farooque (from September 2023 until July 2024)	Cheryl Pidler (from September 2023)
Rebecca Gater	Donna Poole
Sarah Horton-Walsh	Geraldine Swanton (until December 2023)
Barbara Hughes	Harrison Thompson
Ravi Kumar	Sally Tomlinson (until July 2024)
Lucy Lee (until July 2024)	Tony Worth
Tony Lucas	Michael Burnett (from November 2023)

### Director of Corporate Governance, Risk and Compliance

Sam Bromwich

### Executive Management Team

Rebecca Gater Principal & Chief Executive Officer (CEO)  
Heather Hunt Deputy Principal & Chief Financial Officer (CFO)  
Pete Haynes Vice Principal  
Lee Jamieson Vice Principal  
Nancy Buckley Vice Principal

### Principal and Registered Office

Solihull College & University Centre - Blossomfield Campus, Blossomfield Rd, Solihull B91 1SB

## Professional Advisors

<b>Financial statement and regularity auditors:</b>	<b>Internal Auditors:</b>
Bishop Fleming 1-3 College Yard Worcester Worcestershire WR1 2LB	RSM UK Risk Assurance Services LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes Buckinghamshire MK9 1BP
<b>Bankers:</b>	<b>Solicitors:</b>
Barclays Bank 15 Colmore Row Birmingham West Midlands B3 2BH	Shakespeare Martineau No1 Colmore Square Birmingham B4 6AA
Lloyds Banking Group Unit 2&3 Caxton Gate 36/38 New Street Birmingham B2 4LP	Eversheds Sutherland LLP 115 Colmore Row Birmingham B3 3AL
Santander UK PLC 6 Caxton Gate Corporation Street Birmingham B2 4LP	Gateley PLC One Eleven Edmund Street Birmingham B3 2HJ
	VWV Narrow Quay House Narrow Quay Bristol BS1 4QA
<b>Tax Advice</b>	
Gateley Legal One Eleven Edmund Street Birmingham B3 2HJ	

# Report of the Members of the Corporation for the Year to 31st July 2024

## Strategic Report

The Members present their report and the audited financial statements for the year ended 31st July 2024.

### Legal Status

The Corporation was established under the Further and Higher Education Act 1992 and is an exempt charity under Part 3 of the Charities Act 2011 and from 14th July 2016 is regulated by the Secretary of State for Education as the Principal Regulator for all Further Education (FE) Corporations in England. On 29th November 2022, the Office for National Statistics (ONS) reclassified all college corporations as public sector institutions.

### Strategic Direction

A new Strategic Plan '2022-2025: Inspire Success for All' was launched in December 2022 following a 9-month consultation period with key stakeholder groups including all staff.

### Mission

"To be a reflective and progressive organisation which supports and inspires everyone to succeed".

### Vision

Our vision is to position Solihull College and University Centre as a confident, fully inclusive, forward-thinking organisation, with a strong reputation for innovation and excellence.

### Implementation of the strategic plan

In December 2022, the Corporation approved the Strategic Plan and ambitions for the period from the end of 2022 to the end of 2025. The Corporation monitors the performance of the College against the plan through regular meetings and via series of six-monthly progress updates which are available to view on the College's website.

A summary of key achievements during 2023/24 for each strategic ambition is outlined below:

#### **1. Deliver a high-quality curriculum that enhances the life opportunities of our learners, the inclusive growth of our communities, and the productivity of the employers with which we work**

- We have achieved a 'Good' rating from Ofsted, with particular recognition for our focus on skill development achieving a 'strong';
- Secured funding from the AoC Youth Social Action Ambassador Project. 8 students worked together on a multi-generational project in the College and local community around loneliness;
- Achieved 'Silver' status in Higher Education Teaching Excellence Framework (TEF) - this status has only been achieved by 30 FE Colleges in the UK;
- Launched new technical qualifications, including T-Levels in Business, Construction, Health and Science, and Higher Technical Qualifications;
- Launched the newly developed personal development assessment to all full-time learners to better understand their starting points;
- Gained recognition as a 'Gold College of Excellence' at the award winning Ragdale Hall Spa;
- Took students to the Solihull Metropolitan Borough Council's 'Question Time' event in Local Democracy week where they quizzed councillors from each major political party on issues such as youth democratic engagement, sustainability and HS2;
- Established employer boards to enable more effective stakeholder shaping of the curriculum;
- Joined forces with West Midlands Police, to work with every 16–18-year-old on Blossomfield Campus to protect our young people from becoming victims of knife and weapons crime and exploitation;
- 99% of students agreed that they understand the psychological effects of knife crime;
- 99% agreed that they now know how to report any concerns;
- Engaged in sharing best practice across a range of themes with other FE institutions including Dudley College, Birmingham Metropolitan College, Stoke on Trent College, Hull College and Halesowen College;

- Won the 'Excellence in Education, Training and Development of People' award at Solihull Chamber of Commerce Awards;
- Launched the Digital Strategy;
- Firewalls upgraded on all 3 sites;
- Phase 1 of the CCTV Projects completed;
- Refurbishment of refectory in all 3 campuses;
- Facilities upgraded for T Level learners in Health and Care and Higher Education learners including lesson capture rooms;
- Additional brick workshops;
- Stratford-upon-Avon refurbishment completed;
- Completed works to the Sports area at both Blossomfield and Stratford-upon-Avon campuses.

## **2. Secure the future of our organisation in a fast-changing sector through careful and appropriate income diversification and growth**

- Developed a revised curriculum strategy which includes all provision types;
- Won a grant to develop a social care degree level apprenticeship in partnership with Oxford Brookes University;
- Successfully gained approval for the delivery of a £10.3m Local Skills Improvement Fund (LSIF), across the West Midlands and Warwickshire region. We are lead provider for the project and will benefit from each of the six workstreams within it;
- Success at winning bids – LSIF £10.3M, Strategic Innovation Fund (SIF) 2 Funding for Higher Technical Qualifications (HTQs) £800K via the Greater Birmingham and Solihull Institute of Technology (GBSIoT) with over £500K for Solihull College, Office for Students (OfS) Grant to develop degree apprenticeships £110K, Wave 5 Bootcamp Funding £670K;
- Appointed a new Vice Principal of Business Growth, Skills and Partnerships. She was invited to speak at The Engineering Skills Digest Annual skills Conference at the Black Country & Marches IOT.

## **3. Create a high-performing culture that attracts and retains the best people, is fully inclusive, and produces a happy and proud workforce**

- Delivered an inflation-matching 6.7% pay award to staff;
- Launched a cross-college communication project;
- Completed the staff organisational culture inventory 'remeasure' exercise, together with an organisational effectiveness survey, which has provided a focus for management development and key themes to address;
- Delivered anti-racism awareness training to over 600 staff;
- Supported over 50 staff to commence higher level long course qualifications in the 2023/24 academic year, including PhDs, master's degrees and teaching qualifications;
- Launched our wellbeing strategy;
- Taken the senior leadership team and wider college management team through the 'Happy' leadership training programme, which aims to create a work-based culture of trust and, through it, improved performance;
- Worked with the FE Commissioner to develop a pilot project which supports benchmarking of Business Support areas;
- Deputy CEO, Heather Hunt, has taken up role of West Midlands Finance Director's Group Chair;
- Vice Principal, Pete Haynes, has led on the employee focus element of the Colleges West Midlands (CWM) Racial Equality project, producing a collaborative talking heads video, involving staff from 10 Midlands Colleges, launched on website and social media channels in January 2024;
- Principal and CEO, Rebecca Gater, has led on the CWM 'Future Leaders' programme for ethnically diverse staff members aspiring to leadership roles. The pilot group is near completion and the programme is being rolled out formally for the next cohort. This has attracted much attention nationally, including the FE Commissioner's Spring term newsletter;
- Successfully appointed to 3 senior management posts and a curriculum middle management post, all from external applicants. 3 internal staff have been promoted to management positions.

#### **4. Deliver a considered but ambitious programme of investment underpinned by financial stability**

- Completed and launched the Stratford campus redevelopment;
- Refurbished refectories on all three campuses;
- Awarded LSIF funding, Strategic Innovation funding and T-Level funding;
- Achieved all the financial objectives except the EBITDA ratio which was 1% instead of the targeted 2% and maintained overall 'Good' financial health;
- Our Chair of Governors has been appointed as a fellow of CIFE, to demonstrate a high performing culture.

#### **5. Be net zero by 2030**

- Been an active contributor to the Colleges West Midlands Leadership, Curriculum and Professional Development workstream;
- Undertaken an evaluation of sustainability content and quality across the curriculum (Deep dives, lesson planning etc);
- Developed unused ground, through an Animal Management level 3 sustainability project, to create an allotment to grow food for animals within the animal care centre;
- Appointed a Teaching and Learning Coach for Sustainability;
- Co-delivered a 'Power of Partnership' session at the national annual EAUC Conference;
- Achieved AoC Beacon Award 'Commended' status for Sustainable Development;
- Completed College staff and student travel surveys (circa 1,000 responses);
- Completed Governors' sustainability survey, presented at EAUC toolkit launch event and are developing a training and awareness programme for Corporation;
- Undertaken litter picks and anti-litter campaigns at Woodlands and Blossomfield;
- Included sustainability as a responsibility within all job descriptions and in the recruitment process;
- Sponsored a member of staff to undertake a project to consider a 4-day working week as part of their higher-level qualification;
- Completed a feasibility study for LED lighting replacement at Blossomfield and have to date, replaced over 200 lights;
- Completed Stage 1 of the BMS overhaul.

### **Financial Objectives and Review of Outturn for the year**

#### **Financial Objectives**

The College's overall financial objective is to have 'Outstanding' financial management and control, and at least 'Good' financial health as determined by the Education and Skills Funding Agency (ESFA) definitions; maintain financial stability and continuously improve the efficient use of resources.

This is to enable the College to:

- provide education in accordance with the College's Strategic Plan;
- to invest in the College's infrastructure (learning environment for students);
- protect itself from unforeseen adverse changes in enrolments and income; and
- maintain / attain the confidence of funders, suppliers, bankers, and auditors.

As in previous years, detailed financial performance indicators were set by the Corporation for the College and were monitored each month as part of the monthly finance performance monitoring report. These are based on the ESFA definitions for financial health.

It is pleasing to report that the majority of all financial objectives have been achieved and the overall financial health for the College is 'Good'.

Target	Actual
An adjusted current ratio of at least 1.8, (net working capital positive).	Actual adjusted current ratio at 31st July 2024 was 1.9 which is above target.
EBITDA as a percentage of income (education specific) at least 2%.	EBITDA as a percentage of income (education specific) was 1.0%. This was below target. However, this is not a concern for the College as it remains in good financial health.
Underlying operating surplus of a minimum of 1% of income (adjusted for one-off costs).	Underlying operating surplus was 2.2% of income.
Aiming to ensure that staffing costs are no more than 67% of total income (excluding capital grants).	Staffing costs (excluding restructuring) at 31st July 2024 were 67% of total income (excluding capital grants) which was in line with target. Due to cost-of-living concerns for our staff, Corporation approved an increase to this target for a period of 2 years. In 2024/25 the College's target staff ratio is expected to be at 66% and 65% in 2025/26.
Positive cashflow from operations.	A positive cashflow of £1.3m was achieved.
Month end cash balances above £6m (over 50 days cash in hand).	Actual cash balances at 31st July 2024 were above target at £22,469K (172 days cash in hand).
Contribution from faculties of at least 40%.	Actual contribution was 47%.

The College is committed to observing the importance of sector measures and indicators and makes comparisons to sector benchmarks. The College is required to complete the annual Finance Record for the ESFA. The Finance Record produces a financial health grading. The current rating of 'Good' is considered to be in line with the College target.

Tangible fixed asset additions during the year amounted to £2,522K. This was split between buildings of £1,592K and equipment purchased of £930K.

### Treasury Policies and Objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate Treasury Management Policy in place.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Regulations and the Colleges Financial Handbook.

### Cash flows

The operating cash inflow of £1,316K (2022/23 £4,812K inflow), was in line with expectations. The overall increase in cash of £404K resulted from capital expenditure, less operating cash inflow, new capital grants and investment income.

### Liquidity

At 31st July 2024, the College had cash balances including short term investments of £22,469K (172 cash days in hand). The balance includes cash the College is holding for advance grant income payments which will be spent in 2024/25.



## Reserves

The College has a Reserves Policy as approved by the Corporation on 26<sup>th</sup> November 2024 and this recognises the importance of reserves in the financial stability of the organisation and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the Income and Expenditure reserve stands at £58,197K (2022/23: £57,047K). The Local Government Pension Fund continues to be an asset which is not recognised as such in the Balance Sheet.

It is the Corporation's intention to retain reserves to meet minimum cash balances and capital investments, excluding the pension balance. The strategy is now to use cash reserves for capital investment, so they reduce over the life of the strategic plan.

## Payment Performance

The Late Payments of Commercial Debts (Interest) Act 1998 requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The College has maintained its commitment to compliance with this Act.

## Current and Future Development and Performance

### Student Numbers

In 2023/24 there was an increase of over 400 16-18-year-old students, however both Full-time and Part-time adult numbers were down on the previous year. Apprentice new starts increased, as did directly funded Higher Education while Franchised Higher Education fell.

### Student Achievements

The College's achievement rate was 80% for 16-18-year-olds and 82% for adults. This was in-line with the previous year's achievement rates for Education and Training (E&T). The apprenticeship achievement rate was 61%, a 6% improvement on the previous year.

Whilst achievement rates are in line with the previous year, the College continues to work with learners who have been impacted by gaps in education during their formative schooling years. This was the first year of no achievement and/or assessment mitigations by the Department for Education (DfE).

### Curriculum Development

The College has planned clear progression routes for learners across all subject areas and campuses. Provision has clear intent at every level of study and is designed to progress learners into meaningful careers. Therefore, progression routes lead to a specific career aim, which are delivered flexibly to meet the needs of learners and employers.

The College published a Skills Accountability Statement to detail how the curriculum is shaped by employers and is designed to meet the local, regional and national skills needs. The College's curriculum is designed to respond directly to the regional priorities laid out in the LSIP alongside those of other civic partners. Regionally, the key civic partners that inform curriculum design are the WMCA and the Chamber of Commerce; Locally, this is led by Solihull Metropolitan Borough Council (SMBC) and Warwickshire County Council (WCC). The curriculum responds directly to the skills priorities set out by these local and mayoral combined authorities, as set out in the following strategic documents:

- West Midlands and Warwickshire LSIP
- WMCA Regional Skills Plan
- SMBC Solihull Economic Strategy 2023-2032
- WCC Economic Growth Strategy 2020-2025

Employer engagement is a key priority for the College. It works with a wide range of local and regional employers, including large companies and small and medium sized enterprises (SMEs). The College has a strong track record of designing specialist curriculum that meets the skills needs of these employers, including Professional and Management Studies, Aerospace, Engineering, Construction, Health & Social Care and Finance. Labour Market Information (LMI) is also used effectively to inform curriculum development.

The College has kept pace with Post-16 Educational Reforms and was focused on the following in 2023/24:

- In 2022/23, the College ran T Levels to prepare for future defunding of Level 3 Applied General Qualifications in Digital, Childcare and Engineering. In 2023/24, additional T Levels were launched in September 2023 for Health, Science, and Business;
- Introduction of T-Level Transition Programme (TLTP) in areas where we have a corresponding T Level to be alongside the T Level programme above;
- In 2023/24, Higher Technical Qualifications (HTQs) were launched in Health and Social Care and Science;
- Apprenticeship Standards: The programme to solely deliver Apprenticeship Standards has been successfully completed. All learners who were on Apprenticeship Frameworks have now completed their programmes.

Community Learning has grown since the pandemic and the College has improved its work with Hard-to-Reach learners. The number of residents that benefit from Community Learning has grown from 753 in 2022/23 to 963 in 2023/24. Specifically, the College has continued its success in targeting the community provision to deprived wards. In 2023/24, 38% of residents that participated in Community Learning came from the Index of Multiple Deprivation (IMD) bands 1-4. This is in line with the previous year (38%).

The vocational relevance of the College's HE provision has been judged to be particularly strong. The College works in partnership with three key university partners consolidating strong and effective curriculum partnerships. These are Oxford Brookes University, Birmingham Newman University and Coventry University.

The College's continued investment across all three campuses has led to outstanding vocational specialist facilities which support curriculum innovation. The College's significant investment into a phased refurbishment of Stratford Upon Avon campus has now been successfully completed. The College is now focusing on the overall Property Strategy and Investment Plan in order to identify additional areas for development and improvement to further benefit learners and curriculum development.

## **Resources**

The College has various resources that it can deploy in pursuit of its ambitions. Tangible resources include the main Blossomfield Campus in Central Solihull, the Woodlands Campus in North Solihull and the Stratford upon Avon Campus.

## **Financial**

The College has £58,197K of net assets and at 31st July 2024 and no long-term debt. Following the merger with Stratford upon Avon College on 1st February 2018, land and buildings transferred on merger were re-valued from £12,571K to £20,576K by Bilfinger GVA, an independent Chartered Surveyor.

## **People**

Throughout the year the College employed an average of 412 salaried teaching staff, 254 PT hourly paid teaching staff and 252 non-teaching staff. The College's overall average is 918.

## **Reputation**

The College has a very good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships. The College holds Matrix Accreditation, a quality kite mark, in relation to its advice and guidance to students. Other key achievements include being selected to lead the West Midlands and Warwickshire LSIF, being lead provider in the Greater Birmingham and Solihull Institute of Technology and winning Education, Training and Professional Development provider of the year at the Solihull Chamber of Commerce Awards. The College celebrates staff and student success at a regional and national level.

The College's standout achievements are highlighted in the 6 monthly progress updates against the 2022-25 Strategic Plan and these are published on the College website.

## Principal Risks and Uncertainties

The College continues to develop and embed the system of internal control, including financial, operational, risk management and Board Assurance which is designed to protect the College's assets and reputation. The Strategic Risk Register and Board Assurance Plan ensures that there are adequate internal and external sources of assurance and controls in place and an assessment of any risks and assurance gaps and how this is being addressed.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. It identifies systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

During 2023/24 the College's Internal Auditor assessed the College in a range of strategic areas and confirmed that the organisation had an adequate and effective framework and internal controls. The Corporation can therefore take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

The Strategic Risk Register and Board Assurance Plan is maintained at the College level which is reviewed at least termly by the Audit and Risk Committee and reported to Corporation. The Strategic Risk Register and Board Assurance Plan identifies the key strategic risks for the College, the cause and effect of each risk, the inherent score for impact and likelihood, the residual score with the controls in place and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent and detailed scoring methodology. Separate risk registers are written for specific projects or risks which are likely to have an impact on the strategic risks. These can be temporary and removed at the end of the project. Each area of the College also has an Area Risk Register which links into the Strategic Risk Register. These are reviewed annually.

Risk management training and briefings take place to raise awareness of the risk approach throughout the College.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

### Strategic Risks

#### **Poor Quality Teaching, Learning and Assessment:**

The quality of teaching and learning is a key strategic priority for the College. It is essential that learners make good progress and reach their full potential, and the quality of provision meets all required standards.

#### **Unresponsive Curriculum:**

The curriculum must be responsive in order to ensure efficient programme delivery and future potential to invest in programme areas.

#### **Ineffective Safeguarding/Wellbeing:**

Effective safeguarding processes must be applied to ensure the College is a safe environment for staff and students. Specific areas include preventing radicalisation of both students and staff.

#### **Unsuitable Accommodation:**

The accommodation strategy ensures that there is a plan for future growth and for maintaining the current infrastructure ensuring accommodation is flexible, safe and fit for purpose. There is always a risk that government funding does not address the College's current requirements.

### **Ineffective Information Technology (IT):**

The IT infrastructure must meet College needs and be responsive to meet change. There is an ongoing risk that IT systems will be compromised by a cyber-attack. There are also risks of data security and disaster recovery. College data is kept secure and there is compliance with statutory and regulatory legislation around security and recovery.

### **Ineffective Incident Management:**

The College is increasingly aware that there is a risk of a serious incident which causes disruption to college activity. There are effective incident management and business continuity controls in place which are regularly monitored internally and externally.

### **Ineffective Governance:**

It is essential that the College has effective governance arrangements to ensure scrutiny, challenge and control.

### **Unable to maintain Good Financial Health:**

The College needs to be able to respond to risks such as changes in Government funding and not meeting recruitment targets which could have major consequences for financial health. The College has robust systems of financial planning and budgetary control in order to mitigate this risk.

### **Management of the College's Human Resources are ineffective**

The College needs to be able to respond to and mitigate risks regarding HR Policy, HR law, HR planning, performance, EDI, Recruitment and sickness management,

Controls are in place to mitigate all of the above risks, and the Risk Management Group agrees any further actions required reporting these to Audit and Risk Committee.

### **Top Risks:**

As well as the Strategic Risks, the Executive Management Team also identifies the Top Key Risks which are updated for each Corporation meeting and used to focus the Corporation meeting agenda and discussion. Top Risks are also tracked to show how top risks move over time.

## **Public Benefit Statement**

In setting and reviewing the College's strategic objectives, the Corporation has had due regard to the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. The College's approach to providing value and benefits to the wider community it serves is to:

- Deliver high-quality teaching and service for students, employers and the wider community;
- Enable skills acquisition at a range of levels to underpin training for the workers of the future;
- Listen to learners, staff, employers, partners and the wider community to continuously improve our service;
- Respond to local, regional and national priorities to provide appropriate vocational training for continued economic development;
- Strive for value for money in all aspects of provision and procurement;
- Embrace diversity and promote inclusivity;
- Create a safe environment for students, staff and all visitors to the College; and
- Embrace change and opportunities in the best interests of the College and the communities it serves.

To achieve this, the College aims to forge effective dialogue and sustainable relationships with all stakeholders to plan delivery to meet the needs of the communities it serves.

## Stakeholder Relationships

In line with other Colleges and with universities, the College has many stakeholders. These include:

- Students;
- Parents and carers;
- Staff;
- Governors;
- ESFA;
- WMCA;
- DFE;
- FE Commissioner;
- The Office for Standards in Education, Children's Services and Skills (Ofsted);
- local employers (with specific links to Chambers of Commerce in Solihull and Coventry & Warwickshire Business Improvement District (BID));
- College West Midlands Government offices / Local Enterprise Partnerships / LSIP;
- Solihull Metropolitan Borough Council (SMBC);
- The wider community;
- Office for Students (OfS);
- Other FE institutions;
- Greater Birmingham and Solihull Institute of Technology;
- Association of Colleges (AoC);
- Trade unions; and
- Professional bodies;

The College recognises the importance of these relationships and engages in regular communication with stakeholders through the College website, regular written briefings, attendance at strategic and collaborative meetings, conferences and specific projects and initiatives.

## Equal Opportunities and Employment of Disabled People

The College is committed to ensuring equality of opportunity for all who learn and work here. The College welcomes, as an employer and as a provider of education and training, its duty towards those individuals sharing one or more of the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation and, where relevant, marriage and civil partnership. We strive vigorously to remove conditions which place people at a disadvantage, and we actively combat bigotry. The College has an Equality Policy and Equality Objectives.

This policy is resourced, implemented and monitored on a planned basis. Data is published annually in the Equality and Diversity Annual Report and Equality Objectives are reviewed in line with the requirements of the Equality Act 2010. The College welcomes applications from disabled people and guarantees an interview to disabled applicants who meet the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees. The College will implement any reasonable adjustments that could be made for staff or applicants with disabilities.

## Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010. The College has issued a Statement of our commitment to students with learning difficulties and disabilities which is published on the College's intranet and on the College's website. In particular the College aims:

- In any re-development of its buildings, to ensure facilities allow access by people with a disability;
- To comply with its policy for all students as described in the College's Statement. Appeals against a decision not to offer a place are dealt with under the Complaints policy;
- To invest appropriately in additional needs support for students with learning difficulties and disabilities; and
- To offer counselling and welfare services as appropriate.

Specialist courses are described in programme information guides, and achievements and destinations are recorded and published in the standard College format. There is a list of specialist equipment which the College can make available for use by students who have learning difficulties and/or disabilities.

### Trade Union Facility Time 2023/24

Trade Unions play an important role in the College and there are considerable benefits to both employers and employees when organisations and unions work well together.

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the College is required to publish certain information on trade union officials and facility time.

Facility time covers duties carried out for the trade union or as a union learning representative, for example, accompanying an employee to disciplinary or grievance hearing. It also covers training received and duties carried out under the Health and Safety at Work Act 1974.

This report covers the period 1st April 2023 to 31st March 2024. The number of employees who were relevant union officials during the relevant period was 18 (16 FTEs).

The percentage of time spent on facility time (Trade Union duties) for each relevant union official:

Percentage of Time	Number of employees
0%	0
1-50%	18
51%-99%	0
100%	0

The percentage of pay bill spent on facility time:

<b>Total cost of facility time</b>	£34K
<b>Total pay bill</b>	£31,065K
<b>Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100</b>	0.11%

Trade Union Activities include meeting with full time officials, voting on negotiations and attending regional or national meetings.

## **Going Concern**

The activities of the College together with the factors likely to affect its future development and performance are set out in this Strategic Report. The financial position of the College, its cashflow and liquidity are described in the Financial Statements and accompanying notes. The financial statements have been prepared on a going concern basis which the Corporation considers to be appropriate for the following reasons.

Corporation has prepared cashflow forecasts for a period of 12 months from the date of approval of these Financial Statements (26<sup>th</sup> November 2024). In preparing these forecasts, the College has considered the increase in the recruitment for 16-19 learners and a decline within apprenticeships and HE learners. After reviewing these forecasts, the Corporation is of the opinion that the College will have sufficient funds to meet all its liabilities as they fall due over the period of 12 months from the date of approval of the Financial Statements (the going concern assessment period). The College has strong cash balances and has comfortably been able to repay its loans in full and has no debt as it moves into the next 12 months.

## **Disclosure of information to auditor**

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditor is unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditor is aware of that information.

**Approved by order of the members of the Corporation on 26<sup>th</sup> November 2024 and signed on its behalf by:**



**Barbara Hughes**

**Chair of the Corporation**

## Governance Statement

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its Governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- In full accordance with the guidance to Colleges from the AoC in The Code of Good Governance for English Colleges ("the Code of Good Governance"); and
- Having due regard to the 2018 Edition of UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of Corporate Governance and in particular the Corporation has adopted and complied with the Code of Good Governance. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges initially issued by the AoC in March 2015 and formally adopted by the Corporation in April 2015 [revised by the AOC in February 2019]. The Code of Good Governance for English Colleges has been reviewed and the updated 2024 version was adopted by the Corporation in October 2024. In February 2019 the Corporation also adopted the AoC's Code of Remuneration for Senior Postholders and has implemented the recommendations therein. The Corporation have not adopted and therefore do not apply the UK Corporate Governance Code. However, the Corporation have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the 2018 Edition of the UK Corporate Governance Code which the Corporation consider to be relevant to the further education sector.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2024. This opinion is based on an external review of compliance with the Code reported to the board in July 2023. This external review was undertaken by the AoC. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.



## The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report are listed

Name	Date of First Appointment	Term of Office Ends	Date of Resignation / Term Ends	Status of Appointment	Committees Served During the Year	Attendance 2023/24 %
Christine Abbott	December 2021	December 2025		Full Member	Member of Search and Governance Committee	100%
Susie Ankrett	November 2024	October 2028 – subject to approval by Corporation in October 2025		Full Member		N/A
Paul Assinder	January 2019	December 2027		Full Member	Member of Remuneration Committee & Financial Oversight Group (FoG) Chair Designate effective September 2024	86%
Megan Bacalla	September 2024	August 2025		Student Governor (FE)		N/A
Scott Beasley	September 2020	August 2024	September 2023	Full Member		N/A
Tasleem Chaudary	December 2020	November 2024	December 2024	Full Member		71%
Mehak Farooque	September 2023	September 2024	July 2024	Student Governor (FE)		71%
Rebecca Gater	September 2022		Ex-Officio	Principal & Chief Executive/Accounting Officer	Member of Search and Governance Committee and Financial Oversight Group (FoG)	86%
Sarah Horton-Walsh	September 2020	August 2028		Full Member	Audit and Risk Committee	57%

Barbara Hughes	January 2017	May 2025	December 2024	External Member (January 2017 – June 2017) Full Member (June 2017)	Chair of Governors Chair of Search and Governance Committee and member of Remuneration Committee and Chair of Property Special Interest Group (SiG). Member of Financial Oversight Group (FoG)	100%
Helen Kinghorn	September 2024	August 2028 – subject to approval by Corporation in August 2025		Full Member		N/A
Ravi Kumar	December 2022	December 2026		Full Member		71%
Lucy Lee	October 2016	October 2024	July 2024	Full Member	Audit and Risk Committee (Chair) and Member of Remuneration Committee - Joint Vice-Chair	57%
Tony Lucas	May 2019	April 2027		Full Member	Remuneration Committee (Chair) and Member of Search and Governance Committee. Vice-Chair of Governors, Member and Chair of Financial Oversight Group (FoG)	71%
Mehreen Mirza	September 2023	August 2027		Full Member		86%
Graham McKean	June 2024	May 2028 – subject to approval by Corporation in May 2025.		Full Member	Member of Financial Oversight Group (FoG)	N/A
Jo Moorcroft	September 2023	September 2024	July 2024	Student Governor (HE)		43%
Dave Nanda	November 2024	October 2028 – subject to approval by Corporation in October 2025		Full Member	Member of the Audit and Risk Committee and Financial Oversight Group (FoG)	N/A

Amirun Nehar	June 2021	May 2025		Full Member	Member of Audit and Risk Committee and Chair of Committee. Member of Remuneration Committee.	100%
Cheryl Pidler	September 2023	August 2027		Full Member	Member of the Search and Governance Committee, Remuneration Committee and Financial Oversight Group (FoG)	86%
Donna Poole	November 2021	December 2025		Staff Governor		71%
Geraldine Swanton	July 2015	December 2023	December 2023	Full Member	Search and Governance Committee	75%
Harrison Thompson	December 2020	October 2028		Full Member	Member of Audit and Risk Committee	71%
Sally Tomlinson	March 2017	March 2025	Resigned July 2024	Full Member	Member of the Remuneration Committee Chair of EDI Special Interest Group	86%
Tony Worth	July 2015	July 2027		External Member	External member and Vice Chair of Audit and Risk Committee.	75%
Michael Burnett	November 2023	November 2027		External Member	External member of Audit and Risk Committee.	66%

*Overall attendance at Corporation meetings during 2023/24 was 77% and were held on site.*

### **Governors/Governor Professional Training & Development**

Governors have private access to a Governor's portal to include access to a wide range of training and development modules for governors. Governors complete mandatory training modules including child protection, cyber security and prevent. Internal development for governors including safeguarding and regular topical briefings given at meetings, for example quality processes, sustainability and higher education. All new governors are given a mentor and have a full induction programme.

Mentoring for the Director of Corporate Governance Risk and Compliance from Governance4fe has been in place since July 2022 and during 2023/4 on an ad hoc basis. Director of Corporate Governance has completed the Governance Professionals' Development Programme - Expert Level Programme and attends national and regional governance networking groups and conferences. Regular meetings form part of the wider monitoring to identify any areas for development, celebrate progress and agree approach and direction.

## **Governance Statement (continued)**

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2024. The Governing Body is committed to continuous development.

The Corporation operates using the Carver Model of Governance. It has an Audit and Risk, Remuneration and Search and Governance Committees. Each committee has terms of reference, which have been approved by the Corporation and which are reviewed annually.

The Financial Oversight Group has met three times during 2023/24 to consider the annual accounts, budget and financial plan each year which provides advice and assurance to the Corporation. The College has produced a Publication Scheme in accordance with the requirements of the Freedom of Information Act 2000, which is available on the College's website [www.solihull.ac.uk](http://www.solihull.ac.uk) or from the Director of Corporate Governance, Risk and Compliance at Solihull College & University Centre, Blossomfield Road, Solihull, B91 1SB. The scheme was reviewed and re-issued in May 2024.

Full minutes of all meetings, except those deemed to be confidential, can be obtained from the College website or from the Director of Corporate Governance, Risk and Compliance at:

Solihull College & University Centre  
Blossomfield Road  
Solihull  
West Midlands  
B91 1SB

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to Director of Corporate Governance, Risk and Compliance, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Principal and CEO, Director of Corporate Governance Risk and Compliance and members of the Executive Management Team are matters for the Corporation.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Corporation and Committee meetings. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Principal & Chief Executive/Accounting Officer are separate.

## **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search & Governance Committee comprising five members. It is responsible for the search and nomination of any prospective member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate induction and training is provided as required.

Members of the Corporation are normally appointed for a 4-year term of office with one year in the first instance and will generally be re-appointed for two terms of office based on appropriate attendance and contribution.

## **External Board Review**

The external board review took place from March to June 2023. The Review was carried out by the AoC and reported to Corporation in July 2023. The Review concluded that the Board is proficient and has impact on college strategy, effectiveness and outcomes with a positive Board composition and strong Board interaction. The summary of the review findings, which can be found on the College website, was agreed with the reviewer. The action plan agreed with the reviewer has been monitored by the Corporation during 2023/4. The external reviews take place every 3 years.

## **Governance Statement (continued)**

### **Ofsted May 2024**

Ofsted showed governors know the college well and are instrumental in setting and monitoring the strategic direction.

Ofsted reported that "Governors have extensive experience and expertise in education, public services and finance. They use their experience well to focus the work of the board and senior leaders. They frequently challenge senior leaders and maintain an effective oversight of the quality of education that learners and apprentices receive."

### **Annual Self-Assessment**

The annual self-assessment of governance took place during July and August 2024 and was reported to Corporation in October 2024.

### **Remuneration Committee**

Throughout the year ending 31st July 2024, the College's Remuneration Committee comprised the Chair and Vice Chair of the Corporation (or their nominees). The Committee's responsibilities are to consider, review and determine remuneration and benefits of the Principal & Chief Executive/Accounting Officer and other senior post holders and the Director of Corporate Governance, Risk and Compliance and their conditions of service. In accordance with the AoC Code on the Remuneration of Senior Postholders the Remuneration Committee has produced an annual report to provide assurance to the Corporation in relation to the arrangements for reviewing the remuneration of the College's senior postholders.

Details of remuneration for the year ended 31st July 2024 are set out in note 9 to the financial statements.

### **Audit and Risk Committee**

The Audit and Risk Committee comprises five members of the Corporation (excluding the Principal & Chief Executive/Accounting Officer, and Chair of the Corporation). The Committee operates in accordance with written terms of reference approved by the Corporation, which are consistent with the Post-16 Audit Code of Practice issued by the ESFA.

The Audit and Risk Committee meets on a termly basis and provides a forum for reporting by the College's internal and financial statements auditors, who have access to the Committee for independent discussion without the presence of college management. The Committee also receives and considers reports from funding bodies such as the ESFA and their appointed auditors as they affect the College's business. The ESFA college governing body finance dashboard is available as an interactive tool for use online hosting a range of information and analytics for individual education organisations to access.

The College's Internal Auditors review the systems of internal control, risk management controls and Governance processes in accordance with an agreed plan and report their findings to management and the Audit and Risk Committee. Management is responsible for the implementation of agreed recommendations and the Internal Auditors undertake periodic follow up reviews to ensure that such recommendations have been implemented.

The Audit and Risk Committee also advises the Corporation on the appointment of internal and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation. The contract for internal auditors was tendered during 2020/21 and RSM UK Risk Assurance Services LLP was reappointed as internal auditors for 2 years to 31st July 2025. The contract for financial statements auditors was tendered during 2023/24 and Bishop Flemming LLP were appointed as external auditors for 3 years to 31st July 2027.

## Governance Statement (continued)

The Strategic Risk Register and Board Assurance Plan is used to inform the Internal Audit Plan each year. There were four Audit and Risk Committee meetings in 2023/24, with attendance as follows:

Name	Role	Attendance %
Lucy Lee	Chair until July 2024	100%
Amirun Nehar	Full Member & Chair of A&R committee effective September 2024	75%
Sarah Horton-Walsh	Full Member	75%
Harrison Thompson	Full Member	75%
Tony Worth	External Member	75%
Michael Burnett	External Member	67%

## Internal Control

### Scope of Responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Principal & Chief Executive/Accounting Officer for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives. The Principal & Chief Executive/Accounting Officer is charged with safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Funding Agreements between the College and the funding bodies. The Principal & Chief Executive/Accounting Officer is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. The system of internal control was in place in the College for the year ending 31st July 2024 and up to the date of approval of the annual report and accounts.

Policies and procedures, including the Financial Regulations, will be updated to reflect the requirements of Managing Public Money (MPM) following reclassification of all college corporations as public sector institutions by the ONS in November 2022.

### Capacity to Handle Risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks, including an impact and likelihood evaluation, that has been in place for the period ending 31st July 2024 and up to the date of approval of the annual report and accounts. The Corporation, advised by the Audit and Risk Committee, regularly reviews this process. The College's Internal Auditors have confirmed that the College has an adequate and effective framework for risk management.

## **Governance Statement (continued)**

### **The Risk and Control Framework**

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting system with an annual budget, which is reviewed and agreed by the Corporation;
- Regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

The College has an internal audit service, which operates in accordance with the requirements of the ESFA Post-16 Audit Code of Practice. The work of the Internal Audit Service is informed by an analysis of the risks to which the College is exposed, and the Annual Internal Audit Plan is based on this analysis. The analysis of risks and the Internal Audit Plans are endorsed by the Corporation on the recommendation of the Audit and Risk Committee. At least annually, the Head of Internal Audit (HIA) provides the governing body with a report on Internal Audit activity in the College.

The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

The College's External Audit and Internal Audit providers both make recommendations for improvement in key management and control processes. The College regularly monitors value for money, through regular reports to Corporation and the Audit and Risk Committee and has a Value for Money Policy Statement. Further, the Internal Auditors include a section in all audit reports relating to suggestions regarding economy, efficiency and effectiveness measures for consideration by the College.

The internal auditors have not identified any significant weaknesses in the College systems during 2023/24.

### **Responsibilities Under Accountability Agreements**

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The College has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

### **Statement from the Audit and Risk Committee**

The audit and risk committee has advised the board of governors that the Corporation has an effective framework for governance and risk management in place. The audit and risk committee believes the Corporation has effective internal controls in place.

The specific areas of work undertaken by the audit and risk committee in 2023/24 and up to the date of the approval of the financial statements are:

- Internal audit reviews:
  - Safeguarding Framework
  - Cyber Incident Response Arrangements
  - Estates Compliance Processes
  - Key Financial Controls
  - Risk Culture Arrangements
  - Follow Up
- Appointment of new external auditors;
- Review of 23/24 financial statements;

## Governance Statement (continued)

- Review of The Strategic Risk Register and Board Assurance Framework 2023/24 and recommendation of the Strategic Risk Register and Board Assurance Framework 24/25;
- Review of Risk Management Annual Report 2023/24.

## Review of Effectiveness

The Principal & Chief Executive/Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. The Principal & Chief Executive/Accounting Officer's review of that effectiveness is informed by:

- The work of the Internal Auditors and other sources of assurance;
- The work of the managers of the College who have responsibility for the development and maintenance of the internal control framework;
- Comments made by the College's financial statements and regulatory auditor in their management letters and other reports; and
- The review of the effectiveness of the system of internal control by the Audit and Risk Committee (which oversees the work of the Internal Auditor).

Any actions necessary to address weaknesses and ensure continuous improvement of the system are in place.

The Executive Management Team receives reports setting out the key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Executive Management Team and the Audit and Risk Committee also receive regular reports from Internal Audit and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control.

The Corporation's agenda includes a regular item for consideration of risk and control and receives reports therein from the Executive Management Team and Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance, not merely reporting by exception. At its 26th November 2024 meeting, the Corporation carried out the annual assessment for the year ended 31st July 2024 by considering the annual Risk Management Report: (incorporating the Accounting Officer statement of internal controls) Internal Auditor's Annual Report and the Annual Report of the Audit and Risk Committee and taking account of events since 31st July 2024.

The College has processes to ensure regularity and propriety, review compliance with funding terms and conditions and guard against fraud and bribery.

Based on the advice of the Audit and Risk Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

Approved by order of the members of the Corporation on 26<sup>th</sup> November 2024 and signed on its behalf by:

**Signed**



**Barbara Hughes**  
**Chair of the Corporation**  
**26th November 2024**

**Signed**



**Rebecca Gater**  
**Principal & Chief Executive / Accounting Officer**  
**26th November 2024**



## Statement of Regularity, Propriety and Compliance

As accounting officer, I confirm that the Corporation has had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of the college's accountability agreement, funding agreements and contracts with ESFA and DfE and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the Corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the college's accountability agreement, funding agreements and contracts with ESFA and DfE, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding non-compliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

**Signed**



**Rebecca Gater**

**Principal & Chief Executive / Accounting Officer**

**26<sup>th</sup> November 2024**

Statement of the Chair of Governors on behalf of the Corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.

**Signed**



**Barbara Hughes**

**Chair of Governors**

**26<sup>th</sup> November 2024**

## Statement of Responsibilities of the Members of the Corporation

The members of the Corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the College's accountability agreement, funding agreements and contracts with ESFA, DfE and OfS, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions as appropriate (which must be consistent with other disclosures in the accounts and auditor's report), and prepare financial statements on the going concern basis, unless it is inappropriate to assume that the Corporation will continue in operation.

The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and the Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud irregularities.

The Corporation is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA, DfE and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 26<sup>th</sup> November 2024 and signed on its behalf by:



**Barbara Hughes**  
**Chair of the Corporation**

## Independent auditor's report to the Corporation of Solihull College & University Centre

### Opinion

We have audited the financial statements of Solihull College & University Centre (the 'Corporation') for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income & Expenditure, the Statement of Changes in Reserves, the Balance Sheet; the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the College Accounts Direction for 2023 to 2024.

In our opinion, the financial statements:

- give a true and fair view of the state of the Corporation's affairs as at 31 July 2024 and of the Corporation's income and expenditure, gains and losses, changes in reserves and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP, and College Accounts Direction 2023 to 2024 and the Office for Students' Accounts Direction.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusion relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Corporation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post 16 Audit Code of Practice Issued by the Education and Skills Funding Agency ('ESFA') requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Corporation, or returns adequate for our audit have not been received from branches not visited by us; or

- The Corporation's financial statements are not in agreement with the accounting records and returns; or we have not received all the information and explanations we require for our audit.

In our opinion:

- Funds from whatever source administered by the Corporation for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- Funds provided by the Office for Students (OfS) and Research England have been applied in accordance with the relevant terms and conditions and any other terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- The Corporation's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- The Corporation's expenditure on access and participation activities for the financial year has been materially misstated.

### **Responsibilities of the Corporation**

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 26 the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the sector, control environment and the Corporation's performance;
- Results of our enquiries of management and the members, including the committees charged with governance over the Corporation's finance and control, about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the Corporation's documentation of their policies and procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- How the Corporation ensured it met its obligations arising from it being financed by and subject to the governance requirements of the ESFA and OfS, and as such material compliance with these obligations is required to ensure the Corporation will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- How the Corporation ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- The matters discussed among the audit engagement team and involving relevant internal Corporation specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Corporation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

The key laws and regulations we considered in this context included the College Accounts Direction, the Office for Students' Accounts Direction, and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Corporation's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- Enquiring of Corporation's management and members concerning actual and potential litigation and claims;
- Performing procedures to confirm material compliance with the requirements of the ESFA and OfS;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of the members and reviewing internal control reports; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

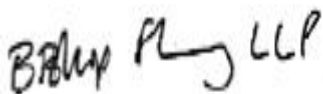
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Corporation, in accordance with Article 22. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, for our audit work, for this report, or for the opinions we have formed.



**Bishop Flemming LLP**  
**Statutory Auditor**  
Chartered Accountants  
1-3 College Yard  
Worcester  
WR1 2LB  
Date: 10 December 2024

## **Reporting accountant's assurance report on regularity to the Corporation of Solihull College & University Centre ("the College") and Secretary of State for Education acting through Education and Skills Funding Agency ("ESFA")**

In accordance with the terms of our engagement letter dated 8 July 2024 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Solihull College & University Centre during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice ("the Code") issued by ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

This report is made solely to the Corporation of Solihull College & University Centre and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Solihull College & University Centre and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the Corporation of Solihull College & University Centre and ESFA for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Solihull College & University Centre and the reporting accountant**

The Corporation of Solihull College & University Centre is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Code issued jointly by the ESFA. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity and propriety.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the College's income and expenditure.

The work undertaken to draw our conclusion includes:

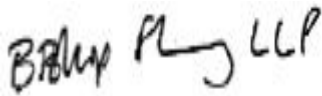
- An assessment of the risk of material irregularity and impropriety across the College's activities;
- Evaluation and validation of the processes and controls in place to ensure regularity and propriety for the use of public funds, including the consideration of the College's self-assessment questionnaire ("SAQ");
- Sample testing of income to ensure that funds have been applied for the purposes that they were awarded, focused on areas assessed as high risk;

- Confirming through enquiry and understanding the control environment that the College has policies and delegated authorities in respect of procurement; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referenced to our regularity report.

The list is not exhaustive, and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 has not been applied to purposes intended by Parliament, and that the financial transactions do not conform to the authorities that govern them.



**Bishop Flemming LLP**  
Chartered Accountants  
1-3 College Yard  
Worcester  
WR1 2LB  
Date: 10 December 2024

**Solihull College and University Centre**  
**Statement of Comprehensive Income & Expenditure**

	Notes	Year ended 31st July 2024	Year ended 31st July 2023
		£'000	£'000
<b>Income</b>			
Funding body grants	2	45,134	43,153
Tuition fees and education contracts	3	2,855	2,889
Other grants and income	4	1,127	1,756
Other income	5	1,369	921
Investment income	6	780	398
Donations and endowments	7	-	5
		<hr/>	<hr/>
<b>Total income</b>		<b>51,265</b>	<b>49,122</b>
<b>Expenditure</b>			
Staff costs	9	29,448	29,759
Restructuring costs	9	448	167
Other operating expenses	10	18,107	16,040
Depreciation	14	3,027	2,967
Interest payable and similar expenses	12	9	589
		<hr/>	<hr/>
<b>Total expenditure</b>		<b>51,039</b>	<b>49,522</b>
		<hr/>	<hr/>
<b>Surplus / (Deficit) before other gains and losses</b>		<b>226</b>	<b>(400)</b>
Loss on disposal of fixed assets		-	(8)
		<hr/>	<hr/>
<b>Surplus / (Deficit) before other gains and losses</b>		<b>226</b>	<b>(408)</b>
Gain on sale of Asset (Overage Income)		1,176	-
		<hr/>	<hr/>
<b>Surplus / (Deficit) for the year</b>		<b>1,402</b>	<b>(408)</b>
Actuarial gain	25	3,259	22,447
Pension surplus not recognised	25	(3,511)	(7,143)
		<hr/>	<hr/>
<b>Total comprehensive income &amp; expenditure for the year</b>		<b>1,150</b>	<b>14,896</b>
		<hr/>	<hr/>
<b>Represented by:</b>			
<b>Unrestricted comprehensive income and expenditure</b>		<b>1,150</b>	<b>14,896</b>
		<hr/>	<hr/>
		<b>1,150</b>	<b>14,896</b>
		<hr/>	<hr/>



**Solihull College and University Centre  
Statement of Changes in Reserves**

	<b>Income and Expenditure Account</b>
	<b>£'000</b>
<b>Balance at 1st August 2022</b>	<b>42,151</b>
Deficit for the year	(408)
Other comprehensive income and expenditure	22,447
Pension surplus not recognised	(7,143)
	<hr/>
<b>Total comprehensive income and expenditure for the year</b>	<b>14,896</b>
<b>Balance at 31st July 2023</b>	<b>57,047</b>
Surplus for the year	1,402
Other comprehensive income and expenditure	3,259
Pension surplus not recognised	(3,511)
	<hr/>
<b>Total comprehensive income and expenditure for the year</b>	<b>1,150</b>
	<hr/> <hr/>
<b>Balance at 31st July 2024</b>	<b>58,197</b>
	<hr/> <hr/>

**Solihull College and University Centre  
Balance Sheet as at 31st July 2024**

	Notes	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Tangible fixed assets	14	75,785	76,331
		<u>75,785</u>	<u>76,331</u>
<b>Current assets</b>			
Trade and other receivables	15	1,773	1,977
Cash and cash equivalents	20	22,469	22,063
		<u>24,242</u>	<u>24,040</u>
Creditors – amounts falling due within one year	16	(14,351)	(14,933)
		<u>9,891</u>	<u>9,107</u>
<b>Net current assets</b>		<b>9,891</b>	<b>9,107</b>
<b>Total assets less current liabilities</b>		<b>85,676</b>	<b>85,438</b>
Creditors – amounts falling due after more than one year	17	(27,138)	(27,987)
<b>Provisions</b>			
Defined benefit obligations	25	-	-
Other provisions	19	(341)	(404)
		<u>58,197</u>	<u>57,047</u>
<b>Total net assets</b>		<b>58,197</b>	<b>57,047</b>
<b>Unrestricted reserves</b>			
Income and expenditure account		58,197	57,047
		<u>58,197</u>	<u>57,047</u>
<b>Total unrestricted reserves</b>		<b>58,197</b>	<b>57,047</b>

The financial statements on pages 31 to 56 were approved and authorised for issue by the Corporation on 26th November 2024 and were signed on its behalf on that date by:





**Barbara Hughes**  
Chair of the Corporation

**Rebecca Gater**  
Principal & Chief Executive/Accounting Officer

**Solihull College and University Centre**  
**Statement of Cash Flows**

	Notes	2024 £'000	2023 £'000
<b>Cash inflow from operating activities:</b>			
Surplus / (Deficit) for the year		1,402	(408)
<b>Adjustment for non cash items:</b>			
Depreciation	14	3,027	2,967
Capital grants released to income	2	(1,731)	(1,669)
Decrease / (Increase) in debtors	15	204	(458)
(Decrease)/ Increase in creditors due within one year	16	(491)	3,619
(Decrease) in provisions	19	(78)	(93)
Loss on disposal of fixed assets	14	-	8
Pensions costs less contributions payable	25	(246)	655
<b>Adjustment for investing or financing activities:</b>			
Investment income	6	(780)	(398)
Interest payable	12	9	589
		<u>1,316</u>	<u>4,812</u>
<b>Net cash flow from operating activities</b>		<b><u>1,316</u></b>	<b><u>4,812</u></b>
<b>Cash flows from investing activities:</b>			
New capital grants received	2	542	1,828
Investment income	6	780	398
Payments made to acquire fixed assets	14	(2,232)	(5,024)
		<u>(910)</u>	<u>(2,798)</u>
<b>Cash flows from financing activities:</b>			
Repayments of amounts borrowed	18	-	(3,939)
Interest paid	12	-	(70)
		<u>-</u>	<u>(4,009)</u>
<b>Increase / (Decrease) in cash and cash equivalents in the year</b>		<b><u>405</u></b>	<b><u>(1,995)</u></b>
<b>Cash and cash equivalents at beginning of the year</b>	20	<b><u>22,063</u></b>	<b><u>24,058</u></b>
<b>Cash and cash equivalents at end of the year</b>	20	<b><u>22,469</u></b>	<b><u>22,063</u></b>

## **Notes to the Financial Statements**

(forming part of the financial statements)

### **1 Statement of accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction: for 2023 to 2024 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

#### **Going concern**

The activities of the College together with the factors likely to affect its future development and performance are set out in this Strategic Report. The financial position of the College, its cashflow and liquidity are described in the financial statements and accompanying notes. The financial statements have been prepared on a going concern basis which the Corporation considers to be appropriate for the following reasons. The Corporation has prepared cashflow forecasts for a period of twelve months from the date of approval of these Financial Statements.

In preparing these forecasts, the College has considered the decrease in the recruitment for apprenticeships and higher education learners. After reviewing these forecasts, the Corporation is of the opinion that the College will have sufficient funds to meet all its liabilities as they fall due over the period of twelve months from the date of approval of the Financial Statements (the going concern assessment period). The College has strong cash balances and has no outstanding loans following their repayment during 2022-23.

Consequently, the Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Notes (continued)

### 1 Statement of accounting policies (continued)

#### Recognition of income

The recurrent grant from the Office for Students (OfS) represents the funding allocations attributable to the current financial year and is credited direct to the income and expenditure account.

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Government capital grants from the funding bodies such as Education and Skills Funding Council (ESFA), West Midlands Combined Authority (WMCA) and Department For Education (DFE) in respect of the acquisition of fixed assets are capitalised, held as deferred income, and released in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102.

Grants (including capital grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Income from grants, contracts and other services rendered is included to the extent the conditions of the funding have been met or the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

#### Post-retirement benefits

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded. Contributions to the TPS are charged as incurred.

Contributions to the TPS scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payrolls. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2023 has been used by the actuary in valuing the pensions liability at 31st July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## Notes (continued)

### 1 Statement of accounting policies (continued)

#### Post-retirement benefits (continued)

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations, asset returns are based upon actual fund investment returns for the period to 31st March and estimated returns based on net assets statements and market returns thereafter.

Further details of the pension schemes are given in note 25.

#### Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding body.

#### Tangible fixed assets

##### Land and buildings

Land at the College's Blossomfield Campus was re-valued on a fair value basis by Bilfinger GVA, an independent Chartered Surveyor, as at 1st August 2014 in accordance with FRS 102 paragraph 35 10(c).

Land and building acquired through the merger with Stratford upon Avon College but dealt with using acquisition accounting, are revalued to fair value by Bilfinger GVA, an independent Chartered Surveyor, as at 1st February 2018.

Buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Buildings acquired since incorporation are included in the balance sheet at cost. Freehold land and long leasehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of 50 years. Leasehold buildings are amortised over 50 years or, if shorter, the period of the lease. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

Where land and buildings are acquired with the aid of government grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

## Notes (continued)

### 1 Statement of accounting policies (continued)

#### Tangible fixed assets (continued)

##### Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Assets capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the assets life beyond that conferred by repairs and maintenance

##### Buildings owned by third parties

Where land and buildings are used, but the legal rights are held by a third party (for example a charitable future economic benefit trust), they are only capitalised if the College has rights or access to ongoing future economic benefit. These assets are then depreciated over their expected useful economic life.

##### Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31st July. They are not depreciated until they are brought into use.

##### Equipment

Equipment costing less than £2,500 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

Equipment is depreciated over its useful economic life as follows:

Motor vehicles	3 years
IT equipment	3 - 5 years
General equipment	5 - 10 years

Where equipment is acquired with the aid of government grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

The College assesses whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

## **Notes (continued)**

### **1 Statement of accounting policies (continued)**

#### **Tangible fixed assets (continued)**

##### **Leased assets**

The College reviews whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The relevant assets are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

Assets which are held under hire purchase contracts which have the characteristics of finance leases are capitalised and depreciated over their useful lives.

##### **Investments**

Fixed asset investments are carried at historical cost less any provision for impairment in their value.

Listed investments held as fixed assets or endowment assets are stated at market value.

Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

##### **Foreign currency translation**

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

##### **Taxation**

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.



## Notes (continued)

### 1 Statement of accounting policies (continued)

#### Liquid resources

Liquid resources include sums on short-term deposits with recognised banks and building societies and government securities.

#### Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### Cash and cash equivalents

Cash for the purposes of the cash flow statement comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand.

### 2 Funding body grants

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Recurrent grants</b>		
Education and Skills Funding Agency - Adult	659	744
West Midlands Combined Authority - Adult	5,902	5,839
Education and Skills Funding Agency - 16 - 18	31,354	29,584
Education and Skills Funding Agency - Apprenticeships	2,590	2,440
Office for Students	351	357
<b>Specific Grants</b>		
Releases of government capital grants	1,708	1,656
HE capital grant	23	41
Teachers Pension Scheme Contribution Grant	1,131	943
16-19 tuition fund	548	636
High value courses for school and college leavers	364	315
Free student meals	173	63
Other specific grants	331	535
	<hr/>	<hr/>
<b>Total</b>	<b>45,134</b>	<b>43,153</b>
	<hr/> <hr/>	<hr/> <hr/>

## Solihull College and University Centre Notes to the Accounts (continued)

### 3 Tuition fees and education contracts

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Adult education fees	332	427
Apprenticeship fees and contracts	11	12
Fees for FE loan supported courses	112	185
Fees for HE loan supported courses	1,438	1,287
	<hr/>	<hr/>
Total tuition fees	1,893	1,911
Education contracts	962	978
	<hr/>	<hr/>
<b>Total</b>	<b><u>2,855</u></b>	<b><u>2,889</u></b>

### 4 Other grants and contracts

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
European Union Co Financed	166	512
Other Revenue Grant Income	961	1,244
	<hr/>	<hr/>
<b>Total</b>	<b><u>1,127</u></b>	<b><u>1,756</u></b>

### 5 Other income

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Residence, catering and conferences	27	26
Other income	1,342	895
	<hr/>	<hr/>
<b>Total</b>	<b><u>1,369</u></b>	<b><u>921</u></b>

### 6 Investment income

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Other Interest received on cash deposits	779	396
Other interest receivable income	1	2
	<hr/>	<hr/>
<b>Total</b>	<b><u>780</u></b>	<b><u>398</u></b>

**Solihull College and University Centre  
Notes to the Accounts (continued)**

**7 Donations**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Unrestricted donations	-	5
	<u>-</u>	<u>5</u>

**8 Details of Grant and Fee Income**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Grant income from Office for Students	351	357
Grant income from other bodies	43,676	41,741
Fee income for taught awards	1,802	1,863
Fee income from non qualifying courses	250	360
	<u>46,079</u>	<u>44,321</u>

**9 Staff costs**

The average number of persons (including key management personnel) employed by the College during the year, described as headcount, was:

	<b>2024</b> <b>No.</b>	<b>*Restated</b> <b>2023</b> <b>No.</b>
Teaching staff	666	660
Teaching support staff	113	112
Non teaching staff	139	142
	<u>918</u>	<u>914</u>

**Staff costs for the above persons**

	<b>2024</b> <b>£'000</b>	<b>**Restated</b> <b>2023</b> <b>£'000</b>
Wages and salaries	22,571	22,572
Social security costs	2,115	2,169
Other Pension Costs	4,762	5,018
<b>Payroll</b>	<u>29,448</u>	<u>29,759</u>
Restructuring costs; contractual	424	115
non contractual	24	52
	<u>448</u>	<u>167</u>

## Solihull College and University Centre Notes to the Accounts (continued)

### 9 Staff costs - (continued)

#### Key management personnel

The College is represented by the Executive Management Team who are responsible for planning, directing and controlling the activities of the College. Rebecca Gater was Principal and Chief Executive during the year following her appointment in the previous year commencing on 1st September 2022.

#### Emoluments of key management personnel, Accounting Officer and other higher paid staff

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges, was:

	Key management		Other staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 - £65,000	-	-	4*	2
£65,001 - £70,000	-	-	3*	5
£70,001 - £75,000	-	-	3*	-
£75,001 - £80,000	-	-	-	-
£80,001 - £90,000	2	2	-	-
£90,001 - £100,000	1	-	-	-
£100,001 - £120,000	1	1	-	-
£135,001 - £160,000	1	1	-	-
	<u>5</u>	<u>4</u>	<u>10</u>	<u>7</u>

\* During 2023/24 an overall increase of 6.5% and non consolidated salary payments of £500 was awarded to all staff, which has increased the number of 'Other staff' in the first band.

During the previous year 2022/23 Lindsey Stewart was Interim Principal and Chief Executive for the month of August 2022, until Rebecca Gater took up her new role as Principal and Chief Executive of the College on 1st September 2022. The salary for this one month period is not included in the analysis

The Corporation adopted the AoC Code of Good Governance 2024 in October 2024. The Corporation uses this and the AoC's Senior Staff Remuneration Code to assess pay for senior postholders in line with the Codes' principles and with reference to sector benchmarking data. The College's Principal and Chief Executive (Accounting Officer) and other senior postholders are paid fair and appropriate remuneration which reflects their level of responsibility, skills and experience.

The Chair and Vice Chair of the Corporation conduct an annual review of the performance and contribution of the Principal and Chief Executive which incorporates questions and observations from members of Corporation. The review is conducted against the expectations set out in the Strategic Plan. The outcome of the review is reported to the Remuneration Committee, who also review the performance of all senior postholders.

The Chair of the Corporation considered that the Principal and the Executive Management Team have performed very well during 2023/2024. They have worked towards achieving the College's Strategic Plan, its objectives and ensuring good financial health and management. They have worked well with Governors and maintained quality teaching and learning provision, excellent support for learners and ensuring positive positioning of the College locally, regionally and nationally. The Chair of the Corporation and Governors have a good understanding of the areas for improvement.

**Solihull College and University Centre**  
**Notes to the Accounts (continued)**

**9 Staff costs - (continued)**

Key management personnel emoluments are made up as follows:	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Salaries	<u>527</u>	<u>429</u>
	<b>527</b>	<b>429</b>
Pension contributions	<u>127</u>	<u>96</u>
<b>Total emoluments</b>	<b><u>654</u></b>	<b><u>525</u></b>

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid senior post-holder) as detailed below;

Post holder (from 1st September 2022 - 31st July 2024)	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Salaries	<u>151</u>	<u>138</u>
	<b>151</b>	<b>138</b>
Pension contributions	<u>38</u>	<u>33</u>
	<b><u>189</u></b>	<b><u>171</u></b>

Post holder (1st August 2022 - 31st August 2022)	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Salaries	<u>-</u>	<u>15</u>
	<b>-</b>	<b>15</b>
Pension contributions	<u>-</u>	<u>3</u>
	<b><u>-</u></b>	<b><u>18</u></b>

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Principal's basic salary as a multiple of the median of all staff	5.71	6.04
Principal's total remuneration as a multiple of the median of all staff	6.70	6.67

**Restated**

\* Headcount was restated to be consistent with this year's calculation.

\*\* To reflect the reclassification of social security and pension costs.

**10 Other operating expenses**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Teaching costs	4,169	3,168
Non teaching costs	7,273	6,357
Premises costs	6,665	6,515
	<u>          </u>	<u>          </u>
<b>Total</b>	<b><u>18,107</u></b>	<b><u>16,040</u></b>

## Solihull College and University Centre Notes to the Accounts (continued)

### 10 Other operating expenses (cont)

<b>Other operating expenses include:</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration:		
Financial statements audit	52	63
Internal audit	25	31
Other services provided by the financial statements auditors	2	20
Other services provided by the internal auditors	4	17
Hire of assets under operating leases	113	97

### 11 Access and Participation

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Access investment	321	266
Financial support	54	30
Disability support	8	7
	<u>383</u>	<u>303</u>

Solihull College and University Centre's published Access and Participation Plan can be accessed using the College website.

Salary costs of £275K have been included in the above disclosure, these costs are included within the staff cost, note 9.

### 12 Interest payable

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
On bank loans, overdrafts and other loans:	-	70
	<u>-</u>	<u>70</u>
Pension finance costs	9	519
	<u>9</u>	<u>589</u>
<b>Total</b>	<b><u>9</u></b>	<b><u>589</u></b>

### 13 Taxation

The Corporation does not believe the College was liable for any Corporation tax arising out of its activities (2023: £nil).

**Solihull College and University Centre**  
**Notes to the Accounts (continued)**

**14 Tangible fixed assets**

	<b>Asset Under Construction</b>	<b>Land and buildings Freehold</b>	<b>Land and buildings Long leasehold</b>	<b>Equipment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>					
At 1st August 2023	777	100,614	1,750	10,521	113,662
Additions	-	1,592	-	930	2,522
Disposals	-	(2,573)	-	(6)	(2,579)
Transfers	(41)	-	-	-	(41)
<b>At 31st July 2024</b>	<b>736</b>	<b>99,633</b>	<b>1,750</b>	<b>11,445</b>	<b>113,564</b>
<b>Depreciation</b>					
At 1st August 2023	-	28,580	-	8,751	37,331
Charge for the year	-	2,290	-	737	3,027
Eliminated in respect of disposal	-	(2,573)	-	(6)	(2,579)
<b>At 31st July 2024</b>	<b>-</b>	<b>28,297</b>	<b>-</b>	<b>9,482</b>	<b>37,779</b>
<b>Net book value at 31st July 2024</b>	<b>736</b>	<b>71,336</b>	<b>1,750</b>	<b>1,963</b>	<b>75,785</b>
Net book value at 31st July 2023	777	72,034	1,750	1,770	76,331

The long leasehold relates to a lease from Solihull MBC for land donated in 2005/06 totalling £1,750K for the Woodlands Campus. The lease is for 125 years.

Land at the College's Blossomfield Campus was re-valued on a fair value by Bilfinger GVA, an independent Chartered Surveyor, as at 1st August 2014. As a first time adopter of FRS 102 the College has used the fair value as deemed cost at 1st August 2014 in accordance with FRS 102 paragraph 35 10(c).

Tangible fixed assets transferred on merger from Stratford upon Avon College were revalued by Bilfinger GVA, an independent Chartered Surveyor at Fair Value. For equipment, fixtures, fitting and vehicles fair value was considered to be the net book value immediately prior to merger.

Land and buildings with a net book value of £27,896K (2023: £28,797K) have been partly financed from exchequer funds, through for example the receipt of capital grants. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the ESFA, to surrender the proceeds.

**Solihull College and University Centre**  
**Notes to the Accounts (continued)**

**15 Debtors**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Trade receivables	306	464
Other debtors	2	2
Prepayments and accrued income	1,249	1,341
Amounts owed by the ESFA	216	170
	<hr/>	<hr/>
<b>Total</b>	<b><u>1,773</u></b>	<b><u>1,977</u></b>

**16 Creditors: amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	503	1,021
Value Added Tax	14	8
Other taxation and social security	1,218	1,146
Accruals and deferred income	4,460	4,172
Holiday Pay Accrual	765	647
Deferred income - government capital grants within 1 year	1,328	1,669
Other creditors	3,264	4,066
Amounts owed to the ESFA	2,331	1,985
Capital accrual and retention creditors	468	219
	<hr/>	<hr/>
<b>Total</b>	<b><u>14,351</u></b>	<b><u>14,933</u></b>

**17 Creditors: amounts falling due after one year**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income - government capital grants	27,138	27,987
	<hr/>	<hr/>
<b>Total</b>	<b><u>27,138</u></b>	<b><u>27,987</u></b>



## Solihull College and University Centre Notes to the Accounts (continued)

### 18 Maturity of Debt

#### Bank loans and overdrafts

The College previously had bank facilities with National Westminster Bank plc, comprising a term loan facility which was secured against Blossomfield Campus.

The College made full repayment of the Loan £3,939Km in November 2022.

### 19 Provisions

	Enhanced pensions £'000	Other £'000	Total £'000
At 1st August 2023	303	101	404
Provisions made in the year	-	-	-
Actuarial loss	66	-	66
Interest cost	15	-	15
Release in the year	(43)	(101)	(144)
	<hr/>	<hr/>	<hr/>
<b>At 31st July 2024</b>	<b><u>341</u></b>	<b><u>-</u></b>	<b><u>341</u></b>

The enhanced pension provision relates to the capital cost of enhancing the pension of former

	2024	2023
Price inflation	2.80%	2.80%
Discount rate	4.80%	5.00%

Other provisions relate to specific activities where there is a potential for clawback of funds.

### 20 Cash and cash equivalents

	At 1st August 2023	Cash flows	At 31st July 2024
	£'000	£'000	£'000
Cash and cash equivalents	22,063	405	22,469
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b><u>22,063</u></b>	<b><u>405</u></b>	<b><u>22,469</u></b>

The closing cash includes gain on sale proceeds of assets of £1,176K which is restricted cash and will be used for relevant capital provision.

The College had an investment of £6m, as at 31st July 2024, with Santander on a 365 day notice.

The College also had investments with Barclays of £4m on a 95 day notice account and £4m on a 32 day notice account.

**Solihull College and University Centre  
Notes to the Accounts (continued)**

**21 Capital commitments**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted for at 31st July	<u><b>341</b></u>	<u><b>1,406</b></u>

**22 Lease Obligations**

At 31st July 2024 the College had minimum lease payments under non-cancellable operating leases as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Future minimum lease payments due</b>		
Not later than one year	98	114
Later than one year and not later than five years	74	111
	<u><b>172</b></u>	<u><b>225</b></u>

There are no lease payments in relation to land and buildings.

**23 Contingent liabilities**

There were no contingent liabilities as at 31st July 2024 (2023: £nil).

**24 Events after the reporting period**

There were no events after reporting period as at 31st July 2024 (2023:£nil).

**Solihull College and University Centre  
Notes to the Accounts (continued)**

**25 Defined benefit obligations**

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the West Midlands LGPS for non-teaching staff. Both are multi-employer defined-benefit plans.

Following the merger between Stratford upon Avon College and Solihull College and University Centre on 1st April 2018 the members from Warwickshire LGPS were transferred to West Midlands LGPS.

<b>Total pension cost for the year</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Teachers Pension Scheme: contributions paid	2,842	2,527
Local Government Pension Scheme; Contributions paid	2,109	1,886
FRS 102 (28) charge	<u>(246)</u>	<u>653</u>
	<u>1,863</u>	<u>2,539</u>
Charge to the Statement of Comprehensive Income	4,705	5,066
Enhanced pension charge/(release) to Statement of Comprehensive income	81	(45)
	<u>          </u>	<u>          </u>
<b>Total pension cost for the year</b>	<b><u>4,786</u></b>	<b><u>5,021</u></b>

## **Solihull College and University Centre Notes to the Accounts (continued)**

### **25 Defined benefit obligations**

#### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation).

As a result of the valuation, new employer contribution rates increased to 28.68% from April 2024 (compared to 23.68% previously). A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website. The pension costs paid to TPS in the year amounted to £2,842,000 (2023: £2,527,000).

## Solihull College and University Centre Notes to the Accounts (continued)

### 25 Defined benefit obligations (continued)

#### West Midlands LGPS

The West Midlands LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by West Midlands LGPS. The total contribution made for the year ended 31st July 2024 was £2,686K of which employer's contributions totalled £2,109K and employees' contributions totalled £577K. The agreed contribution rates for future years for employers are 22.1% and range from 5.5% to 12.5% for employees, depending on salary. **The next scheme valuation for LGPS will be 31 March 2025, with the new employer contribution rates applicable from 1 April 2026.**

#### Principal Actuarial Assumptions

The following information is based on a full actuarial valuation of the fund at 31 March 2023 updated to 31 July 2024 by Hyman Robertson LLP.

	2024	2023
Rate of increase in salaries	3.75%	4.00%
Future pensions increases	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Commutation of pensions to lump sums	50.00%	50.00%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The table below shows the life expectancy assumptions used in the accounting assessments based on lives aged 45 and 65 at the latest Fund valuation at the balance sheet date.

	2024 years	2023 years
<i>Retiring today</i>		
Males	20.90	21.00
Females	24.20	24.20
<i>Retiring in 20 years</i>		
Males	21.40	21.50
Females	25.40	25.40

**Solihull College and University Centre**  
**Notes to the Accounts (continued)**

**25 Defined benefit obligations (continued)**

**West Midlands LGPS**

The College's share of the assets in the plan and the expected rates of return were:

	%	Fair Value £'000	%	Fair Value £'000
Equities	51%	39,580	68%	48,097
Government bonds	0%	-	0%	-
Other bonds	35%	27,163	21%	14,853
Property	7%	5,433	7%	4,951
Cash	7%	5,433	4%	2,829
		<hr/>		<hr/>
<b>Total market value of assets</b>		<b><u>77,609</u></b>		<b><u>70,730</u></b>

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2024 £'000	2023 £'000
Present value of plan liabilities	(66,955)	(63,560)
Fair value of plan assets	77,609	70,703
Cumulative derecognitions of surplus	(10,654)	(7,143)
Present value of unfunded obligations	<hr/>	<hr/>
<b>Net pensions asset</b>	<b><u>-</u></b>	<b><u>-</u></b>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2024 £'000	2023 £'000
<b>Amounts included in staff costs</b>		
Service cost	1,863	2,539
Contribution by employer	(2,109)	(1,886)
	<hr/>	<hr/>
<b>Total</b>	<b><u>(246)</u></b>	<b><u>653</u></b>
<b>Amounts included in interest payable</b>		
Net interest on defined liability	(6)	506
	<hr/>	<hr/>
<b>Total</b>	<b><u>(6)</u></b>	<b><u>506</u></b>
<b>Amounts recognised in other comprehensive income</b>		
(Loss)/Return on pension plan assets	2,568	(2,701)
Experience Gain on defined benefit obligation	(2,138)	5,779
Other actuarial loss on assets	-	-
Change in demographics assumptions	134	1,049
Changes in assumptions underlying the present value of plan liabilities	2,695	18,320
	<hr/>	<hr/>
<b>Amount recognised in Other Comprehensive Income</b>	<b><u>3,259</u></b>	<b><u>22,447</u></b>

**Solihull College & University Centre  
Notes to the Accounts (continued)**

**25 Defined benefit obligations (continued)**

**West Midlands LGPS (continued)**

**Movement in net defined benefit /liability during the year**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Surplus / (Deficit) in scheme at 1st August	-	(14,143)
Movement in year:		
Current service cost	(1,825)	(2,528)
Past Service cost	(38)	(11)
Employer contributions	2,109	1,886
Net interest on the defined liability	6	(508)
Actuarial gain	3,259	22,447
Derecognition of surplus	(3,511)	(7,143)
<b>Net defined benefit liability at 31st July</b>	<b><u>-</u></b>	<b><u>-</u></b>

As a result of the changes in actuarial assumptions the historic scheme deficit has continued to be a surplus. The scheme surplus at 31 July 2023 and 31 July 2024 has not been recognised, as it is not recoverable through either refunds or reduced contributions at this time.

**Asset and liability reconciliation**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	63,560	84,993
Current service cost	1,825	2,528
Interest cost	3,592	3,001
Contributions by scheme participants	577	553
Changes in financial and demographic assumptions	(2,829)	(19,367)
Unfunded pension payment	(3)	(2)
Experience loss on defined benefit obligation	2,138	(6,673)
Estimated benefits paid	(1,582)	(1,484)
Past Service cost (Including Curtailments)	38	11
<b>Defined benefit obligations at end of period</b>	<b><u>67,316</u></b>	<b><u>63,560</u></b>

**Reconciliation of assets**

<b>Fair value of plan assets at start of period</b>	63,560	70,850
Interest on plan assets	3,237	2,495
Return on plan assets less interest	2,568	(2,701)
Employer contributions	2,109	1,886
Contributions by scheme participants	577	553
Estimated benefits paid	(1,585)	(1,486)
Other actuarial losses	-	(894)
Derecognition of surplus	<u>(3,150)</u>	<u>(7,143)</u>
<b>Assets at end of period</b>	<b><u>67,316</u></b>	<b><u>63,560</u></b>

## **Solihull College and University Centre Notes to the Accounts (continued)**

### **26 Related party transactions**

Due to the nature of the College's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations, in which a member of the Corporation may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £880. 3 governors. (2023: £742. 1 governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity for the year.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during 2023/24.

The College is a member of the Greater Birmingham & Solihull Institute of Technology (GBSloT) along with South & City College Birmingham, Aston University, University College Birmingham, Birmingham Metropolitan College and Birmingham City University. Rebecca Gater, the Principal and Accounting Officer is a Director of the Board. The College manages the finances, HR and payroll processes and safeguarding for the GBSloT and receives payment for these services. During the year the GBSloT purchased services of £287K from the College (2023:£290K).

Rebecca Gater, the Principal and Accounting Officer was also an executive member at the Solihull Chamber of Commerce. During the year the College purchased services from the Chamber of Commerce of £15.6K (2023:£15.6K) and received payment for services to the Chamber of Commerce of £2.8K(2022: nil).

Geraldine Swanton was appointed as an External Member from 1st Jan 2020 until her term ended on 31st Dec 2023. She was employed as the Legal Director at Shakespeare Martineau LLP. During the year, the College purchased services from Shakespeare Martineau LLP costing £49K for the provision of legal services.

Sarah Horton-Walsh is a Governor at the College and was employed as Head of School of Marketing and Management at Coventry University. During the year the College purchased services from Coventry University costing £35K for validation fees. Sarah was appointed as an External Member 1st Sept 2020 and her term of office as a Member is due to end on 31st August 2028.



**Solihull College and University Centre**  
**Notes to the Accounts (continued)**

**27 Amount disbursed as an agent - learner support fees**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
16 -18 Grants and funding body grants	2,013	1,541
	<u><b>2,013</b></u>	<u><b>1,541</b></u>
Disbursed to students	(906)	(575)
Administration costs	(51)	(51)
	<u><b>(957)</b></u>	<u><b>(626)</b></u>
Balance on creditors	1,056	915

Funding body grants are available solely for students in the majority of instances, the College only acts as a paying agent.