

# Minutes

## Meeting of the SEG Resources Committee

20<sup>th</sup> November 2024

<b>Date</b>	20/11/2024
<b>Time</b>	17:00 - 19:45
<b>Location</b>	Board Room, Southport College (Morningson Road, Southport, Merseyside, PR9 0TT)
<b>Governors Present</b>	Margaret Boneham (Independent Member) Michelle Brabner - Principal – (Ex-Officio Member) Rob Firth (Committee Chair - Independent Member) Claire Moffat-Lonsdale (Independent Member) Paul Walker (Independent Member - Corporation Chair)
<b>Invited Attendees</b>	Paris Bonwick (Vice Principal - Business Services) Mark Burrows (Deputy Principal) Lisa Farnhill (Dir. Governance and Compliance) Christian Hoehn (Head of IT) (item 7 only) Alison McDowell (Dir HR) Stephen Musa (Vice Principal Curriculum and Support) Paula Smith (Dir. Finance)
<b>Apologies</b>	Alex Gamil (Committee Vice Chair)
<b>Absent</b>	Rebecca Matchett (Independent Member)

## Agenda

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### 1 - Welcome & Apologies for Absence

Item Lead: Committee Chair - Rob Firth

The Committee Chair opened the meeting, welcoming members and attendees. Reasons for absences were noted and accepted. The chair confirmed that no other apologies had been received, and the meeting proceeded with quoracy confirmed.

**Item 1:** The Committee resolved to accept the apologies provided.

#### 1.1 - KPI scorecard

Item Lead: Vice Principal Business Services- Paris Bonwick

Members noted this agenda item was included for informational purposes to support and direct discussions for other items.

**Item 1.1:** Noted

### 2 - Declaration of Interests

Item Lead: Committee Chair - Rob Firth

The chair invited members to declare any interests related to the items on the agenda. The Dir. Governance and Compliance confirmed she was also the College's Data Protection Officer .

**Item 2:** The Committee noted the declarations made.

### **3 - Minutes/Matters Arising**

Item Lead: Committee Chair - Rob Firth

The minutes of the previous meeting held on 1st October 2024 were presented for approval. The chair asked if there were any adjustments, alterations, queries, complaints, or considerations regarding the minutes. With no objections raised, the minutes were approved as written.

**Item 3:** The Committee approved the minutes of 1<sup>st</sup> October 2024 as a true and accurate record of the meeting.

### **4 - Actions and Impact Statements**

Item Leads: The Director of Governance and Compliance, Lisa Farnhill and Committee Chair, Rob Firth

The Director of Governance and Compliance provided an update on matters arising, noting that the appointment of a vice chair was being carried forward to January. The risk register would be covered under items 6 and 15, with the approval of the updated process to be considered by the Audit Committee on 3rd December, with a review of effectiveness and impact to be conducted at the end of the year. Members were advised that the cash flow had been updated and would be discussed alongside the Staff Pay award. Members noted most other matters were either completed or not yet due.

REDACTED.

**Item 4:** The Committee approved the impact statements and note the progress made against the actions to date, requesting further documented information to support decisions relating to the best use of the available site and land at KGV.

### **5 - Confidential Business**

Item Lead: Committee Chair - Rob Firth

The chair confirmed that the highlighted sections were recommended for redaction by the Dir. Governance and Compliance, with the Committee agreeing that these needed redacting as they were commercially sensitive.

The Principal indicated that under normal circumstances, the staff pay award would need to be held without the presence of staff attendees however, requested the permission of the Committee for the Senior Leadership Team (SLT), to remain for the discussions on this occasion, explaining that they could provide additional context and insight around possible options being considered, particularly relating to terms and conditions.

**Item 5 - Resolved:** The Committee resolved to approve the suggested redactions and to allow the SLT to be present for staff pay discussions (item 13).

### **6 - Risk Movements**

Item Lead: Paula Smith – Dir. Finance.

The Dir. Finance provided a report detailing the risks updated since the last meeting. Members were advised that there had been no risk movements included in the circulated report due to the timing of the review, however, a verbal update could now be provided as the SLT had since reviewed the risks. Members noted this review resulted in a reduction from 27 to 24 risks overall, with 11 risks specific to the Resources Committee: two high, five medium, and four low. The review had focused on reassessing the likelihood of

risks without controls in place, leading to some updates to the pre-mitigations scores, noting the previous register had listed some pre and post mitigation scores as having been the same. The thorough review resulted risks being merged or removed.

The committee was informed that the full risk register would be reviewed by the Audit Committee at their forthcoming meeting, and any significant changes would be reported back to the full Board in December as well as disseminated to the Committees at their next scheduled meeting.

**Item 6 - Noted:** The Committee noted the verbal update.

## **7 - IT Strategy 2024-2025**

Item Leads: Vice Principal Business Services - Paris Bonwick, Head of IT - Christian Hoehn

The Head of IT presented the IT strategy for 2024-2025, including how the strategy aimed to balance development across the college's IT needs, considering the length of service of the IT team and the challenges of supporting ambitious development goals, taking into accounts the differing needs of the College departments.

The Committee were informed that a significant amount of corporate knowledge had been lost with staffing changes, compounded by the lack of documented process, with the new strategy ensuring this was rectified.

Key points included the need for a balanced approach to development, in terms of staff and services, the importance of operational excellence, and the goal of positioning the IT team closer to business activities.

Members asked if the support and resourcing was sufficient to deliver the strategy, and were informed although ambitious, it was achievable, highlighting how the long-term goal of the strategy was to outsource some IT functions to free up internal resources to focus on the needs of the college. This would ensure that areas where a deeper level of understanding of the business was essential, including working with the specific systems, and understanding the staffing and resource structure, were supported by the onsite team, however, to achieve this, the systems needed to be modernised and streamlined before it could be outsourced, or the cost implications would outweigh any benefits. Members noted that the issues relating to upgrading systems was compounded by the age of the buildings and equipment and a growing cohort of students, with members discussing the availability of funding through grants as well the benefits of leasing equipment, with ideas shared on energy saving and rationalisation options that could increase the budget available for investing in the upgrades.

The committee discussed the indicative time scale and costs, noting that achieving full operational excellence might take two to three years. Members indicated concern over the pace of the improvements, highlighting the pace of developments in IT may mean that the strategy would be out of date before it was implemented. Members were assured that the annual reviews would take in to account new developments, focusing on the importance of developing and retaining staff and building a supportive environment with internal progression. Members commended the supportive approach, however, expressed concern over the risks relating to retention, highlighting that the level of development made the team more attractive to other organisations. The Committee were informed that the focus on integrating the IT team into business areas and developing the local and bespoke systems knowledge made the team more effective, improved job satisfaction, and supported retention as although the skills would transferable, the system knowledge would not.

Members discussed the links to other key areas, including pay to support retention, and the benefits of upgrading the IT infrastructure to enhance the quality of teaching and learning and student experience, whilst needing to balance the cost implications, ensuring departments are suitably resourced, without resulting in a strain on the IT budget or staff. In considering the implications of the strategy on wider College business and within the context of national progress and developments, particularly around AI and digital innovations in teaching and learning, the Committee was provided with further detail of the work

required to fully modernise the systems. Members expressed further concerns over cost and time frame, with Members reminded not to stray into the operational detail and assured by the annual milestones and review points.

**Item 7 – Approved:** The Committee resolved to approve the strategic targets for IT for 2024/2025.

*The Head of IT left after this item.*

## **8 - Annual Staff Development Report 2023/24**

Item Lead: Deputy Principal, Mark Burrows

The discussion on the Annual Staff Development Report for 2023/24 highlighted several key points. The focus of member discussions was on the extensive support, development and training offered to staff, and how this can be captured beyond the reporting of the budget, noting that less events were reported with an increased number of attendees the previous year. Members were assured this was due to a more targeted approach, ensuring the provision was relevant and not blanket, moving away from CPD days to good practice hours, so that development was continuous. The value in terms of impact and cost effectiveness was highlighted by the Committee, with options explored as to how the value of the internal development and free training could be captured, as well as recognising other development and training, including the use of the apprenticeship levy.

Members noted there had been over-expenditure on training budgets for the past year, with a similar trend observed in the previous year, noting that the budget had been reduced. The emphasis has been on internal training, utilising different systems to further development, with a majority of training conducted in-house. The staff development performance indicators showed strong outcomes for the year, demonstrating the effectiveness of the staff development program in enhancing teaching quality and learning experiences.

Members noted that the priorities for the next academic year would continue to focus on teaching, learning, and assessment, with a shift towards individualised pathways using specific software. The uptake of this approach in 2023/2024 had been impressive, with significant engagement from staff. Members noted that as part of the succession plan, there had been a significant investment in leadership and management training, with these programs running for the last two academic years, therefore the demand had reduced, evidenced by a lower uptake, therefore the intention was to pause the continuous programs in January, with any future need to be monitored on an ongoing basis.

The report noted a reduction in the number of external staff development events, with a focus on more relevant and cost-effective internal training. The staff awards program, which previously included one-off payments for higher education qualifications, has been scaled back to prioritize more immediate and relevant training needs.

The discussion also touched on the need to balance the budget while ensuring effective staff development. The use of the "how to" platform was highlighted as a cost-effective and highly individualized training tool, accessible to a significant portion of the staff. The overall value of staff training, including in-house training and external projects, was recognized as being higher than the reported budget.

The committee acknowledged the impressive staff performance indicators and their positive impact on student outcomes. The shift towards more frequent, bite-sized training sessions and the use of individualized programs were seen as significant improvements. The discussion concluded with an emphasis on the need for continuous improvement in staff development to support the college's goals.

**Item 8- Resolved:** The Committee resolved to accept the report, subject to a revision of the format and content for the next year, to capture the value of the internal and free training to ensure the value and impact of the full staff development offer is reported.

## 9 - Termly HR Report

*Item Lead:* Alison McDowell

The Termly HR Report focused on four key areas: recruitment, staff turnover, application of HR procedures, and sickness absence.

Members were given an overview of vacancies advertised during the academic year, with comparative data against the previous two academic years. Members were advised of the need to readvertise for some roles to ensure suitable skilled and qualified appointments were made, with progress highlighted, reassuring the Committee all vacancies had always been covered. Members were made aware that there had been challenges in attracting the right candidates, particularly in skills shortage areas, including maths and trades, however, recent adverts had attracted exceptional quality candidates. The Committee were informed that the advertisement literature was being reviewed to ensure the benefits were highlighted. The committee noted the challenges in recruitment, particularly the trend of candidates withdrawing close to the start date, and the improvement in the quality and number of applications for certain roles.

Staff turnover was reported at 6%, down from 7.9% the previous year with an online leavers questionnaire being developed to better understand the reasons for resignations.

The application of HR procedures assured the Committee that there were no significant issues, with a brief overview provided.

Members were advised that sickness absence was down overall, however, short-term sickness in October 2024 was higher than in October 2023, attributed to seasonal viruses. Members asked about contractual sick pay and the rights of part-time staff, with a focus on ensuring fair treatment and financial planning.

**Item 9 – Noted:** The Committee noted the assurances provided by the report.

## 10 - Enrolment Update 2024/25 (Census Data) and Applications for 25/26

*Item Lead:* Vice Principal Curriculum and Support - Stephen Musa

The enrolment update for 2024/25 was positively received, with 2048 learners enrolled pre-census, exceeding the financial target. With it highlighted this was the highest enrolment for a number of years. The Committee was reminded that the financial target was 1850, and the college predicted post-census numbers to be around 1921, with actual post-census enrolments currently standing at 1999, significantly above the target, reflecting improved attritions rate.

Members were provided with a brief overview of recruitment to date for the 2025/26 academic year, with applications up by 15% for Southport College and 14% for KGV. The Committee noted that the college's market share remained strong, with increased applications from partner high schools and other areas, aligning with the growth plan and marketing strategy.

The Committee commended the improvements, asking about the areas the college was drawing students from, and what the improvements were attributed to. Members were advised of increasing number of students were travelling into the area. The improved attrition was considered to be as a result of the effectiveness of the support and teaching teams, with improved recruitment down to a number of initiatives as well as the strengthened relationships with the schools and the improved reputation of the group, with examples given where students had expressed their pride over their association with the College.

The introduction of new courses, such as A-level economics and electrical programs, was highlighted as a response to feedback from schools and market demand. The positive impact of open days and student ambassadors in attracting new students was also noted.

**Item 10 – Noted:** The Committee noted the significant progress and assurances provided by the report.

## 11 - Accommodation Matters

Item Lead: Vice Principal Business Services - Paris Bonwick

The updates on accommodation matters included three key projects: the LSIP Grant Project, the Capital Grant Project, and the Public Sector Decarbonisation Scheme Application.

11.1 LSIP Grant Project Update: The project is on target, on budget, and on quality, with members advised there were no concerns or issues to draw their attention to. Members noted the project is on track, with old equipment removed and air source heat pumps installed. Members commended the improved energy-efficiency, asking about the marketing of the projects, with the Committee assured this was in progress, with the SLT ensuring any additional dressing of the spaces was permissible within the guidelines for the spending.

The Committee were advised there had been some underspend by other colleges, with the college well positioned to support additional projects to utilise the remaining funding.

11.2 Capital Grant Project Update: The Committee were advised the contractors had removed some ventilations systems in error, with these to be reinstalled ahead of the final payment. Members asked about the implications of the issues experienced overall, REDACTED, with this impact ensuring issues are being resolved at pace. The committee discussed the importance of effectively communicating these successes and ensuring the projects are completed to a high standard.

11.3 Public Sector Decarbonisation Scheme Application Update: Members discussed at length the funding options and implications on the cash balances, operating capital and financial health. Members asked for clarification on the current progress of the application, next steps, and ability to withdraw.

In linking to the updated cashflow to be presented under item 12, members queried the affordability, potential returns, impact and risks. Whilst acknowledging the need to invest in the premises and need to improve energy efficiency, a member highlighted other conflicting priorities for the College's limited resources, including the earlier discussions around the needs of the IT department.

The Committee concluded that although the investment required was significant, this was balanced against the available grant funding, commitment to improving the energy efficiency and green credentials of the college and investing in the estate. The Committee asked the Vice Principal Business Services to continue to investigate viable alternative options to using the cash reserves, endorsing the application for submission on this basis, accepting that should they agree to withdraw after being awarded the grant, this may impact the reputation of the college.

**Item 11: Resolved** – The Committee resolved to accept the assurances provided by the grant project update reports. The Committee resolved to approve the submission of the application for the decarbonisation fund, on the basis that the SLT continue to explore alternative options for the college contribution, with the potential to utilise reserves subject to Corporation approval should the grant application be successful and no suitable alternative options are viable.

## 12 - Financial Reports

The financial reports were presented, starting with the Management Accounts for September and October 2024 (12.1). The year-to-date operating results at the end of September showed a slight surplus, with a positive variance of £63,000. For October, the forecast was spot on, with income slightly behind budget by £76,000 due to timing issues with cash flow. Pay costs were favorable by £83,000 in September and £77,000 in October, with some vacancies expected to be filled by November. Non-pay costs were ahead of budget by £12,000 in October. The cash balance at the end of October was £4.8 million, slightly higher than expected.

The five-year cash flow forecast (12.2) was discussed next. The assumptions included a 2% pay increase, no increase in staffing numbers, and a capital expenditure of £250,000 per year. The forecast showed a downward trend in cash flow, with a balance of £2 million by July 2029. The main factors affecting this trend were loan repayments and interest costs. The committee discussed the potential impact of selling the Formby building, which could improve the cash position.

The Financial Statements for 2023/2024 (12.3) were reviewed. The draft statements showed an operating deficit of £456,000, offset by an actuarial gain on the pension scheme, resulting in a total comprehensive income of £259,000. The statements were prepared in accordance with the ESFA's College Accounts Direction and will be submitted to the ESFA by December. The committee approved the statements, noting that they were consistent with the management accounts.

The ESFA Financial Health Confirmation and Dashboard (12.4) was presented. The dashboard confirmed the college's financial health as expected, with no significant changes. The committee was reminded that governors can access the dashboard at any time through the VYED portal.

### **12.1 - 12.1 Management Accounts**

Item Lead: Dir. Finance - Paula Smith

The Committee noted the and October Management Accounts were not yet finalised, therefore September 2024 were presented and reviewed. The year-to-date operating results at the end of September showed a slight surplus, with a positive variance of £63,000. Members were advised that for October, the forecast was accurate, with only a £600 variance. Members queried the income variance, noting the reduced apprenticeship income and learner loans, with increased income from the National Skills Fund.

Members were advised that pay costs were favourable by £83,000 in September and £77,000 in October, with some vacancies expected to be filled by November. Non-pay costs were ahead of budget by £35,000 in September, with members noting this reduced to £12,000 by October.

Members noted the financial health rating was good, with the cash balance at the end of October was £4.8 million.

Members discussed the improved alignment of staffing budgets, with it confirmed that the mid-year review would provide further assurances. A member asked about the Crown Guarantee for the LGPS, with the Committee informed that the impact was still unclear, however, it was expected to reduce the premiums.

**Item 12.1: Approved** - The Management Accounts for September 2024 were approved, with the verbal update relating to the October position noted.

### **12.2 - 12.2 Cash Flow**

Item Lead: Dir. Finance - Paula Smith

The committee reviewed the five-year cash flow forecast. The assumptions included a 2% pay increase, no increase in staffing numbers, and a capital expenditure of £250,000 per year. Members noted the need for this to include increased IT expenditure, with other variables expected to include reduced loan interest. The forecast showed a downward trend in cash flow, with a balance of £2 million by July 2029. Members highlighted how the underlying performance was neutral, with the decline as a result of the loan the loan interest, linking back to earlier discussions around opportunities to generate capital.

Members asked about demolishing the Fern Building at KGV, with the Committee advised this was not built into the projections, with it confirmed it was not financially viable without external funding. Members asked about security and health and safety risks, and were assured that the permitter was secure, minimising these risks.

### 12.3 - Financial Statements 2023/2024

Item Lead: Dir. Finance - Paula Smith

Members were reminded of the process of review and approval ahead of submission and publication. In confirming that the statements were prepared in accordance with the ESFA's College Accounts Direction using the standardised format and presentation, the Financial Statements for 2023/2024 were reviewed. Members noted that they statements remained in draft, with the only query outstanding relating to the presentation of the pension figures.

Key information was highlighted, including cash balances at the year-end, being £4.48m compared to £5.3m last year, and an operating deficit of £456,000, offset by an actuarial gain on the pension scheme, resulting in a total comprehensive income and expenditure of £259,000.

The committee resolved to recommend the Corporation approve the statements, noting that they were consistent with the management accounts.

**Item 12.3 - approved:** The Financial Statements for 2023/2024 were recommended for approval by the Corporation.

### 12.4 - ESFA Financial Health Confirmation and Dashboard

Item Lead: Dir. Finance - Paula Smith

The committee was provided with a copy of the latest ESFA letter confirming the Financial Health, along with extracts from the Governor Dashboard and reminded how to access this directly.

Members commended the finance team for their work throughout the year, thanking the Dir. Finance for her work building and supporting her team, resulting in consistently accurate accounts.

**Item 12.4 - noted:** The update was noted.

### 13 - Staff Pay Award (Confidential)

Item Lead: Principal – Michelle Brabner, supported by the Dir. Finance - Paula Smith and Dir. HR – Alison McDowell

The Committee reiterated their earlier support for the SLT to remain present for the update.

REDACTED

**Item 13: Resolved – REDACTED**

### 14 - Meeting Reflection

Item Lead: Committee Chair - Rob Firth

The committee reflected on the meeting, noting the thorough discussions and the importance of the decisions made. The risks related to the accommodation projects and the financial implications of the staff pay award were highlighted. The committee agreed to report the key points to the Corporation at its next meeting on 17 December 2024.

#### 14.1 - Risks Update

Item Lead: Dir. Finance - Paula Smith

The committee reviewed the extracts from the risk register related to the Resources Committee. They discussed whether any in-meeting discussions warranted changes to the rating, wording, or mitigations.



The primary focus was on the financial risks associated with the staff pay award and the uncertainty of government funding. The committee agreed these risks should be monitored closely, however, did not need to be updated.

## **14.2 - Items To Be Reported To The Corporation**

Item Lead: Committee Chair - Rob Firth

The committee agreed to report the following items to the Corporation at its meeting on 17 December 2024:

1. Approval of the financial statements.
2. Approval of the management accounts.
3. An update on the staff pay award discussions and the committee's current position.

## **15 - DATE OF NEXT MEETING AND CLOSE**

Item Lead: Committee Chair - Rob Firth

The next meeting was confirmed for Tuesday, 28 January 2025, at 5.00 pm. The meeting was then formally closed.

### **Actions and Matters Arising**

**Task:** Continue evaluating and balancing IT development goals across departments to ensure effective support for business processes. (Head of IT/VP Business Services)

**Task:** Follow up re the tender for outsourcing commodity IT support tasks to free up internal resources for business-specific needs.

**Task:** Submit the decarbonization funding bid with a CapEx requirement of £1.15 million.

**Task:** Explore other funding options for the decarbonisation project and report back to the committee. (VP Business Services)

**REDACTED**

. (VP Business Services)

**REDACTED**

. (VP Business Services)

**Task:** Ensure the reinstallation of the removed ventilation ahead of finalising the accounts. (VP Business Services)

**Task:** Review and update the cash flow forecast based on current student intake levels and potential funding opportunities when the reforecast is completed (Dir. Finance)

**Task:** Prepare a detailed proposal for the staff pay award, considering the AOC recommendation, national minimum wage increases and Union recommendation. (Principal)

**Task:** Review and enhance recruitment literature to better attract candidates by emphasizing benefits like the pension scheme. (Dir. HR)

**Task:** Develop and implement an online leavers questionnaire to gather detailed reasons for staff resignations.