

Minutes
Meeting of the SEG Resources Committee
Governor Meetings



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| Date | 11/06/2025 |
| Time | 5:00 PM - 7:00 PM |
| Location | Southport College (Mornington Road, Southport, Merseyside, PR9 0TT) |
| Governors Present | Margaret Boneham (Independent Member and Committee Chair) Michelle Brabner - Principal – (Ex-Officio Member) Colin Davies (Independent Member) *Claire Moffat-Lonsdale (Independent Member) Paul Walker (Independent Member - Corporation Chair) |
| In Attendance | Paris Bonwick (Vice Principal - Business Services) Mark Burrows (Deputy Principal) (up to and including item 8) Lisa Farnhill (Dir. Governance and Compliance) Shaun Hindle (Dir. Curriculum: Apprenticeship & Skills) (up to and including item 8) Diane Hutchinson (Independent Governor) (up to and including item 9) Alison McDowell (Dir. HR) Stephen Musa (Deputy Principal) Paula Smith (Dir. Finance) |
| Apologies | Rob Firth (Associate Member) Mike Naden (Independent Member) |
| Absent | None |

*indicates attendance via videoconferencing facilities

Agenda

1 - Welcome and Apologies for Absence

The meeting opened with a welcome from the Committee Chair, who acknowledged the presence of all attendees and extended a special welcome to the HR Link Governor and Dir. of Curriculum: Apprenticeships and Skills. Apologies for absence were noted and accepted, and it was clarified that online participants could hear and be heard.

Item 1: Accepted

2 - Declaration of Interests

The Chair invited members to declare any potential conflicts of interest relevant to the meeting agenda. There were no specific declarations of interest noted for this meeting.

Item 2: Noted

3 - Approval of Minutes

The minutes of the meeting held on 18th March 2025 were presented for approval. Following confirmation that there were no comments or amendments, the minutes were approved unanimously.

Item 3: Approved – The Committee approved the minutes of the meeting held on 18th March 2025

4 - Impact and Actions from Previous Meetings

The Committee reviewed the action summary report from previous meetings, noting details of actions completed and those ongoing. Specific attention was given to estates issues. REDACTED

Clarification was provided for the spike in gas usage and attention drawn to actions not yet concluded.

Item 4: Noted

5 - Confidential Business

The Committee discussed whether any minutes or items of business needed to be regarded as confidential. A proposal regarding an end-of-term bonus was noted as confidential until announced. It was confirmed that the minutes would not be published until approved at the next meeting in Autumn, therefore the Committee agreed that confidentiality would not be an issue. It was however noted as a required redaction should there be any requests to review the draft ahead of any announcement relating to the grant usage.

REDACTED

Item 5: Approved

6 - KPI Scorecard Overview

Members noted noting that the KPI scorecard had been included to provide an overview to guide discussions throughout the meeting, with members invited to raise any questions or concerns related to areas marked as red in the subsequent agenda items.

Item 6: Noted

7 - Risk Movements Relevant to the Resources Committee

The Director of Finance presented a summary of the risk register relevant to the Resources Committee, confirming that overall, there are 24 risks, with 12 risks aligned with the Committee. Members were informed there has been two movements since the last meeting.

Members noted that risk 12, concerning the failure to achieve apprenticeship financial plan targets, had been increased and was now a medium risk due to its impact on future income. It was clarified that apprenticeships income currently represents 0.3% of total income, and it needs to be monitored closely as it could represent 2% of income moving forward.

The other movement outlined related to controlling estate-related costs, which had seen a reduction in its risk score following the receipt of additional funds from the Department of Education.

The Director of Finance invited questions and comments, and the Committee acknowledged the updates.

Item 7: Noted

8 - Employer Engagement Strategy

The Deputy Principal (MB) summarised the Employer Engagement Strategy. He proposed no material amendments should be made to the Employer Engagement Strategy with the current strategy to be endorsed for implementation for a further year.

The performance of the current strategy was outlined, noting that income predictions for the year had been reprofiled in the budget. Members noted the pipeline of new leads and opportunities was showing significant growth, with detailed tracking of conversion rates now taking place. Members were advised of the rationale behind deferring the start for some apprenticeships.

Members were informed of the impact of government defunding level 7 apprenticeships. Members asked about risks and areas of concern and were given assurances, with detailed updates on applications, pipeline, and initiatives to improve their understanding and accuracy of conversion data, as well as the positive impact on the hospitality and care sector following the changes to English and Maths requirements. The Committee expressed optimism and acknowledged the ongoing efforts to increase the pipeline and monitor performance.

In response to a question about the KPI's, the Committee were informed the targets were aligned to the budget and had been developed with the Director of Finance.

The Committee agreed they were happy to continue with the current approach, endorsing the continued use of the current strategy, thanking the team for their work.

Item 8: Approved – The Committee noted the update and resolved to recommend the reapproval of the strategy for 25/26 including the current KPI's.

9 - Termly HR Update

The Director of HR provided a comprehensive update on HR activities over the last term. Members were informed that the Outstanding Staff Contribution Awards, known as the Oscars, had an increase in nominations, reflecting positive staff engagement. Following an overview of the process for selecting and rewarding winners, Governors were advised they would be invited to attend. Members reflected positively on the previous awards ceremonies, and urged the team to ensure invitations to award ceremonies are issued with sufficient notice for governors to attend.

Members considered at length the overview of the data from latest staff survey, noting the use of a system with no login, ensuring confidentiality, thought to have resulted in the improved response rate of 57%, with valuable feedback being used to address communication and consultation issues. Members were informed that the HR link governor had reviewed and discussed the data with the team, and it had also been fed back to the Unions. A member expressed concern over some statistics, particularly relating to feeling of being treated unfairly. The Committee discussed the importance of treating staff with dignity and respect, asking about the themes in the comments for that question, acknowledging the subjective nature of survey responses. The Principal and Dir. HR provided an outline of comments and the issues thought to have caused the responses. The explanation provided detail of actions that were taken at the time to mitigate any concerns, and subsequent actions to prevent recurrence through improved communications. Members asked if the percentage of negative responses to this question had improved or declined, and were advised the wording had been altered, however a question with a similar theme had previously been asked, with the Dir. HR agreeing to look at the comparative data.

Members questioned the data around CPD, noting previous discussions around the available budget, perception and understanding of what constitutes CPD. Members were informed of discussions around subject specific training needs and issues relating to staff absence, with details outlined of improvements to the budget allocation process to ensure adequate resources and fair distribution. Members considered whether there had been any correlation between survey responses and CPD requests that had been rejected, or if this had been used as a mechanism of communicating an issue previously not raised.

Members highlighted the positive statistics relating to staff pride, with 160 respondents proud to be an employee of the college. Members asked how the responses and subsequent actions would be communicated, endorsing the approach to ensure areas where actions cannot be made are communicated in addition to those that have been addressed.

The item concluded with an outline of the proposed use for the DfE grant along with details of progress to date in actioning the request of the Remuneration Committee to review spot point salaries. Members noted the intention to consider the implementation of pay scales for all roles for parity, and to recognise progression and support retention.

Item 9: Noted – The Committee noted the update, endorsing the considered response to reviewing and addressing issues raised in the staff survey, asking that consideration is given to response trends when compared with previous surveys.

Task: Review the data against the outcomes from previous years to consider trends.

10 - Learner Support Funds Policies

The Deputy Principal (SM) presented four Learner Support Funds policies, recommending approval for the 16 to 19 Bursary Funding policy, the 19+ Discretionary Fund, the Adult Learner Loan policy, and the Travel Pass Fund policy.

The Deputy Principal (SM) explained the reasoning behind lowering the threshold for bursary eligibility to £25,000 following the utilisation of previous underspend. In response to member questions, communication strategies were discussed to manage the transition and ensure support for affected students, with additional support available through the hardship fund. Members asked how funds were allocated and distributed and sought assurances over due diligence and appropriate use.

Members highlighted how the new threshold was close to minimum wage, with it clarified the figure was net, acknowledging that tax and deductions for lower paid workers were limited. Members were assured that the threshold was in line with other local colleges and limited by the funding available to the college. It was conceded that this would have a negative impact on students, with the College open to reviewing all applications for hardship on an individualised basis and providing support wherever possible, with it highlighted that the adult learner loan threshold, which was provided by the LCR as opposed to the DfE maintained the higher threshold.

The Committee acknowledged the importance of effectively allocating funds to those in need and agreed to recommend that the Corporation approves the revised policies.

Item 10: Approved– The Committee noted the updates, agreeing the four policies should be presented to the Corporation for approval.

11 - Marketing Update

The Deputy Principal (SM) provided the Committee with an update on enrolment and presented a revised marketing strategy for approval.

11.1 - Enrolment Update

The latest enrolment figures were discussed, showing a 7.3% increase compared to the same point last year. Members noted Southport saw a 2.5% increase, while KGV had an 18% rise. Despite the overall positive trend, there were concerns about Access to HE application numbers, particularly in healthcare pathways. The removal of the social sciences pathway from access was noted, with it clarified that this did not have a significant impact due to low recruitment. The decline was attributed to changes in qualifications in healthcare professions, leading to fewer people returning to education. The Committee was assured by continued efforts to promote access courses. Members asked if the college's decision to remove HE provision may have affected applications by restricting the ability to progress internally, with the Principal informing the Committee that similar trends are being observed across the region.

Item 11.1: Noted – The Committee noted the update, endorsing the ongoing efforts to improve enrolment.

11.2 - Long Term Marketing Strategy and Targets

The long-term marketing strategy for 2025/26 to 2028/29 was presented by the Deputy Principal (SM). The Committee noted the decision to fully rewrite the strategy, focusing on longer term targets that covered all provision types within the college, supported by specific KPIs to be tracked and reviewed annually.

Members endorsed the clearer, more visual format and KPIs around apprenticeships, 16-18 recruitment, and digital/social media presence, asking if the targets and KPI's aligned with the employer engagement strategy and budget. The Committee members were advised of input from the Dir. Finance to ensure triangulation with the budget.

Specific campaigns and initiatives were discussed, including the 'Why wait until September?' campaign, introduced to encourage early apprenticeship hiring and raise awareness of the roll on roll off nature of apprenticeships, having been a recommendation from the FEC following their supportive visit.

Members agreed the inclusion of a student journey map from school to course enrolment, provided a comprehensive view of the marketing efforts and supported oversight of the impact of initiatives.

The Committee positively received the document, asking that their gratitude is passed on for the creative efforts of the marketing team, emphasising the importance of consistent growth in 16-18 recruitment.

Members agreed to approve the marketing strategy and its associated KPIs.

Item 11.2: Approved – The Committee resolved to recommend the Corporation approve the overhauled long-term marketing strategy and associated targets.

12 - Internal Audit Service Reports

The Committee received a verbal update on the progress of the Internal Audit Service review of admissions and enrolment. Members were informed that the audit, which began on 30th April, has faced delays due to scoping issues and annual leave. Members were assured that there were no significant issues expected within the report, however, this had not yet been received. The Committee was informed that the audit is one of the longest experienced, with initial delays as a result of confusion around its scope and had been concluded in line with the revised scope. Members were advised the report was expected to be available imminently, with the Dir. Finance agreeing to chase this with the Audit Service.

Item 12: Noted – The Committee noted the verbal update.

Task: Dir Finance to chase the report from the auditors.

13 - Estates, Resources, and Sustainability

13.1 - Accommodation Termly Update

The Committee received an update on accommodation matters, including issues arising from previous meetings, spending updates and planning. REDACTED. The process, surveys, costings and funding options for the refurbishment of the playing fields were discussed, with emphasis on top-soiling and cultivation due to poor field conditions and contamination issues. Members expressed concern over the contamination and surfacing of glass and sharps, with assurances given that this could be mitigated through ongoing management, with discussions underway with the local football club who could support with maintenance costs in exchange for use of the fields, Pavilion and gym.

Members were advised that funding from the Old Georgians Association (£20,000) would bring one pitch back into use, with ongoing discussions with the KGV Foundation which would likely cover the costs for the second, requiring the college to fund the third. The Committee confirmed they endorsed the recommendation to bring the playing fields back into use, highlighting how this would be a community resource and supported the College's strategic aim relating to being in the heart of the community.

REDACTED

Item 13.1: Resolved – The Committee resolved to note the update, endorsing the recommendation to bring the playing fields back into a usable standard.

Task: Pursue options and funding for bringing the playing fields back into use, REDACTED.

13.2 - Estates Planning for 2025/2026

The Committee reviewed the planned Estates budgets and projects for 2025/26. This included various improvements to the estate's condition and compliance with statutory requirements. The budget breakdown was presented, highlighting controllable and uncontrollable costs.

In considering the use of the allocated Condition Improvement Grant Funding, the Committee was informed a full proposal had not yet been formed, however, noted a request to endorse utilising part of the money, to complete the demolition of the Fern building. Members were given details of its deteriorating condition and associated health and safety risks. Members were advised of the review of historic documents, which highlighted deterioration to an unusable condition as far back as 2014.

Members considered the risks, associated costs, timeframe and discussed the use of the space, which once demolished, would be grassed over with seating, with no plans to replace the structure at this stage. Members were assured that the family of Mr Fern, who the building had been named after as a former governor and someone well known in the area, had been consulted with. Members were advised they were in support of the proposal, with the college having agreed to ensure there would be a plaque in the seating area in remembrance of Mr Fern.

The Committee suggested they could not approve the plans at this stage as costs were speculative, however endorsed investigation into costs and timeframes for demolition. In response to details of the intended timeframe, noting an intention to complete the work during the summer, members indicated concern. Whilst the Committee endorsed the proposal, and agreed that the deterioration evidenced urgent attention, with high winds posing significant risk, members suggested it would be unrealistic to complete the works this summer. Those with experience in this area explained the time frames associated with tendering, obtaining the relevant statutory documentation, and the potential for further delays and a slower demolition process required if asbestos was present, meaning it would not be possible to have this done in summer.

The committee agreed this needed to be completed during times of limited occupation, however, proposed the tender would be very limited in scope, and would restrict applications if the timeframe was too limited, as it would only be open to those able to mobilise immediately, suggesting October half-term as an alternative. The SLT indicated the working window for half term may not be sufficient, agreeing they would commence the surveys and scoping work, and investigate the most plausible options. The Committee was assured that any additional works to move the perimeter or raise the fences would be completed to maintain safety around the site if necessary.

Item 13.2: Resolved – The Committee resolved to endorse the use of CIF funding for the demolition of the Fern Building, subject to approval once the scoping and tendering exercise is completed.

Task: Investigate costs and timeframes for the demolition of the Fern building.

13.3 - Sustainability Strategy and Road Map

The sustainability strategy and road map were presented for approval. Members noted how the strategy follows AOC guidance and aims for net zero by 2050, with it clarified detailed planning to achieve net zero had not been included as external funding will be necessary to achieve this.

Members endorsed the dashboard and reporting, through the use of the climate action road map dashboard, introduced by the AOC as a tool for tracking progress and supporting with understanding and awareness.

The Committee approved the strategy and the use of the climate dashboard for reporting, highlighting the importance of pursuing external grants and funding opportunities.

Item 13.3: Resolved – The Committee resolved to recommend the Board approves the Sustainability Strategy and Climate Action Road Map

13.4 - Approval of a contract for the provision of IT resources

The Committee was asked to consider and approve the appointment of a contractor for IT services. A five-year lease contract for student and staff laptops was proposed, aiming to mitigate rising costs and depreciation of IT equipment. The tender process summary was presented, highlighting the cost savings and benefits of the lease agreement. The Committee agreed to approved the awarding of the contract to MISCO Technologies Ltd. recognising the importance of maintaining up-to-date IT resources.

Item 13.4: Approved – The Committee resolved to approve the awarding of the contract to MISCO Technologies Ltd.

14 - Financial Reports

The Committee reviewed various financial reports, including updates to financial regulations, tuition fees, management accounts, financial forecasts, and the allocation of post-budget grant monies. The Department of Education's confirmation of the College's financial health rating was attached for information.

14.1 - DfE Guidance Updates

The Committee received updated guidance from the Department of Education, including changes to the college accounts direction and financial planning handbook as well as the replacement of the Post 16 Audit Codes of Practice. The updates were summarised, highlighting the scope and use, key changes and implications for the College's financial planning and reporting processes and policies confirming these were reflected in the Financial Regulations as presented under item 14.2.

Item 14.1: Noted – The Committee noted the updates.

14.2 - Financial Regulations

The Committee reviewed the updated financial regulations, considering the regulatory guidance provided under item 14.1. The Director of Finance summarised the changes, which included updates to terminology and the inclusion of structural changes within the finance team and a new reserves policy.

Members were assured by the Director of Finance that the reserves policy had been checked against guidance in the charity's handbook. The importance of compliance with the new framework for external auditors and reporting accountants was emphasised and the Committee agreed to recommend the Financial Regulations for approval.

Item 14.2: Resolved – The Committee resolved to endorse the updates agreeing to recommend them to the Corporation for approval.

14.3 - Tuition Fees

The VP Business Services apologised for the delay in circulating the updated tuition fees policy, confirming this had been a full rewrite as opposed to an update.

Following discussions regarding the implication of deferring approval, it was agreed the policy would be reviewed at the next meeting when members will have had time to read and consider the policy. Members were assured the current tuition fee policy could remain in place, with no immediate implications as a result of deferred approval.

Item 14.3: Deferred – The Committee resolved to defer approval of the policy until the next meeting of the Committee.

14.4 - Management Accounts

Members were advised March and April accounts were presented for approval, with March having been previously circulated, and April included in the pack to be reviewed and discussed as the current position.

The Director of Finance reported a year-to-date operating deficit of £537,000, which was favourable compared to the budgeted deficit of £616,000. Members noted that income was roughly in line with the budget at £12.6 million, while pay costs showed a favourable variance of £107,000, despite the pay award and increases in National Insurance contributions.

Members were advised that non-pay costs resulted in an adverse variance of £40,000, primarily due to overspends in the premises area, with assurances given that these are being strictly monitored.

Members noted that depreciation and interest payable costs were slightly lower than forecast, and pension charges met budget expectations.

Members discussed the financial health score, being advised this remains on target to be 'good' for the financial year, with a staff-to-income ratio of 70.02% and a cash balance of £4.8 million at the end of April. In response to a question, members were advised of new financial benchmarking data released earlier that day, with a staff to income ratio target of 70%, therefore the college met the required benchmark.

Members queried the ten-point reduction in the financial health score, and asked about staff costs, and apprenticeship income and were assured that the overall financial health remained at 'good'.

Item 14.4: Approved – The Committee resolved to approve the April 2025 Management Accounts.

14.5 - 2025-2026 Budget and 26/27 Forecast

The Director of Finance presented the budget, outlining assumptions, including income projections based on current allocation statements and business plans. The Committee was advised of delays in setting a final budget due to the number of funding announcements and limited information and guidance released alongside the announcements. Assurances were given that all the changes were positive, following uplifts to the base rate, with subject and disadvantage weightings. The Committee noted that the likely impact, now that further information had been made available, would be an uplift in income in the region of £560,000.

Members noted staff costs included a pay award provision of 2.8%, with contingency budgets in place. The Committee was advised of recent a recent announcement relating to school teacher pay, which would see a 4% pay award, with an expectation that the FE sector takes this into account when negotiating and agreeing its teacher pay award.

A detailed outline of pre uplift assumptions was outlined, assuring the Committee of collaboration with each department to ensure accuracy. Members noted non-pay costs were agreed upon with budget holders, reflecting a 3% uplift for teaching departments and other support areas. Exam costs were increased to accommodate higher student numbers and new examinations. Utility costs were kept static based on contract prices. Depreciation included capital expenditure, with deferred capital grants offsetting these costs.

Members queried the high depreciation, with it explained that this was as a result of the T Level Grant Project works, and was offset by the release of the deferred capital grant, with assurances given that this was not a cash movement.

The Director of Finance highlighted the assumptions around interest payable and financial health ratios, noting that staff costs for 2025/26 were projected at 70% of income.

Members asked if the assumed increase of 2.2% in teaching staff would be sufficient, being advised this was the figure proposed ahead of the funding announcements, with consideration now being given to the deployment of the £560,000, which was expected to include an increase to the teaching staff budget.

Members reflected on interest rates and the impact on interest payable and interest earned and discussed the cash flow position. Members considered the current predictions and noted that the college may be in a cash generating position by 26/27, even with the prudence applied, and would improve further once the new income was embedded into the forecast.

The presentation concluded with a review of the sensitivity analysis, which showed potential income reductions and staffing increases, with a best-case deficit of £266,000 and a worst-case deficit of £1.3 million.

Members agreed to present the budget for approval, subject to the incorporation of the additional funding and an updated sensitivity analysis, noting all amendments would be positive variances, asking that updates and changes are carefully outlined for review and approval directly by the Board.

Item 14.5: Approved – The Committee resolved to recommend the Corporation approve the 25/26 budget and 26/27 forecast, subject to the incorporation of the additional income. Members resolved to request that the updates to the budget and sensitivity analysis are highlighted and presented directly to and approved by the Corporation.

14.6 - Grant Money Distribution

The Committee received details of the grant money received by the College and was asked to approve the College's use of these extra funds, which had now been confirmed to be £138,000.

The Committee were reminded that there had been an announcement that funds would be made available to support the FE Sector with staffing costs, without any details released. Members noted SEG had been prudent in ensuring they approved a fully costed pay award from existing budgets. Members noted some colleges had relied on the funds for their pay awards, with details now released evidencing that this would be insufficient to support the expected pay award.

Members were given an outline of the proposal to utilise the post-budget grant monies, emphasising the importance of strategic use of the funds to support the College's objectives, focusing on staff morale and wellbeing. The Principal explained that a number of colleges intended to use this grant for a one-off bonus payment to staff. The Committee agreed to follow this approach, with a one-off bonus of £350 per full-time equivalent staff member. Members noted this proposal aims to keep the college in alignment with other institutions and had been discussed and received positively by the Unions. Members were advised the proposed amount ensured the grant would cover the additional on-costs and administrative costs associated with the payment.

Members asked about timing and communication, with assurances given that this would be carefully managed to ensure that staff understood the source of the funds and one-off nature, highlighting how the DfE national communications supported this narrative.

It was clarified that the amount was within the remit of the Committee to approve, and as a benefit to be allocated to all staff, should include SPH and did not need a separate review or approval.

Item 14.6: Approved – The Committee resolved to approve the use of the grant monies to pay a one-off bonus of £350 per full time member of staff, to be paid pro-rata for fractional and part time staff.

15 - Committee Planning for 2025/26

The Committee considered updates to the Terms of Reference and approved the outline schedule of work for the next year. The Director of Governance and Compliance summarised the approach for the coming year, noting that the work plan aims to consolidate and reduce the number of items by combining related topics.

Members were reminded that the calendar provided an outline approach for the Committee's work, with agendas set 4 weeks ahead of each meeting, encouraging members to email her with any suggestions for changes to the distribution of work.

Members noted that the Terms of Reference were reviewed in detail in the previous year, and with no significant statutory changes to DfE guidance this year, there were limited updates beyond removing reference to the ESFA, changing the Committee's membership and noting title changes. The Committee was informed that the Financial Handbook was still to be updated, with assurances provided that any changes necessary as a result of the guidance being updated, would be recommended for approval once released.

Item 15: Resolved – The Committee resolved to approve the calendar of reports for 2025/26 and recommend the Corporation approve the updates to the Terms of Reference.

16 - Meeting Reflection and Closing Comments

The Committee reviewed risks, considered items to report to the Corporation, and discussed the date and agenda for the next meeting.

16.1 - Risk Review

The Committee considered whether any reports received or discussions held during the meeting necessitated updates to the risk register.

The importance of maintaining an accurate and up-to-date risk register was highlighted and key risks identified included changes in apprenticeship income and the impact of financial health ratios, however, members concluded these were already accurately captured.

Item 16.1: Resolved – The Committee resolved to note that the discussions considered the risks linked to the Committee and agreed these remained accurately reflected in the risk register.

16.2 - Items to be reported to the Corporation

The Committee agreed on items to be highlighted for the information and approval of the Corporation at their meeting on 2nd July. Key decisions and discussions from the meeting were summarised for reporting. The Committee agreed that in addition to presenting items for approval, they should report their approval of the IT tender, discussions relating to the estate, in particular the Ferm Building demolition, and their approval of the distribution of the grant money.

Item 16.2: Approved – The Committee resolved to approve the items for presentation to the Corporation for information or approval.

16.3 - Closing Comments

The Chair thanked the members for their contributions and reflected on the positive outcomes of the meeting. Members noted that the date for the next meeting will be confirmed after the corporation meeting in July.

Item 16.3: Noted

The meeting closed at 7.15pm